# THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, NOVEMBER 5, 1938 10c a Copy; $5.00 a Year No. 45

## The Nation's Business

### Bren Enquiry Will Speed War Orders

WITHOUT anticipating in any way the report of Hon. Justice Davis in the Bren machine gun enquiry, it can confidently be forecast that there is going to be a tightening up in the purchasing methods of the Department of National Defence. This will work out to the best interests of Canadian industry.

Manufacturers are bound to feel now that straightforward methods of tendering for orders will have a better chance of success in obtaining business. And greater confidence in Canadian industry will be engendered in Great Britain, leading to closer collaboration between the two governments in placing munitions orders in Canada.

Fortunately the enquiry at Ottawa has led to no delays in the production of Bren machine guns in Canada. The evidence has made it clear that the production is up to schedule.

In some quarters, fear has been expressed lest the enquiry make the British War Office hesitant to place additional orders here. Information in this issue from London indicates that there are no grounds for this fear. The War Office is concentrating its orders in Britain at the present time because of the decline in the normal "civilian" business of British industrial plants.

It is only natural that improvement in the purchasing methods of the Department of National Defence will enable the War Office to work more closely with Ottawa in granting joint orders in the future.

* * *

### Secession Begs Issue Of Canada's Problems

A SMALL group in the Province of Saskatchewan is beating the secession drum again. Just why is hard to discover.

With a fair crop and an 80-cent minimum price for wheat (paid for by Canadian taxpayers), such tactics seem of dubious timeliness.

Perhaps the main reason is the desire of certain United Farmer officeholders to focus attention on themselves because they sense that from the viewpoint of their own narrow selfishness, it is what might be called a "safe" theme.

Saskatchewan is probably not taking this talk any more seriously than is eastern Canada. The secessionists are making a great noise. But they may well be likened to the old Scot who, after hearing his minister discourse on spiritual matters, remarked: "It's a great wind, but the Lord is no' in it."

* * *

BUT there is a larger issue at stake.

Canada has important national business to be done. It is business which goes by default unless the West can get its eyes above secession; unless the East can rise above its "rights"; unless the centre can think in other terms than "milch cow."

Every province, every community, every individual has a right to be heard and to make itself heard. Valid grievances that are smothered or which lie too long unheeded must sooner or later be reckoned with.

But to focus the national spotlight on these things without at the same time pursuing a vigorous frontal attack on relief, railways, debt, taxation and other national sorespots is dangerous and reprehensible.

Let there be discussion, but let us have direction, not drift. National unity should be the star and compass of national leadership.

* * *

### Canada's Wheat Moves to Market

CANADA is back in the wheat business.

Export clearances last week were almost seven million bushels, the week before over eight. Flour exports are rising, too.

The world has not quite forgotten the taste and quality of Canadian wheat and despite bumper yields in United States and Europe, is once more buying ours freely. There is good reason for believing that we will end the crop year next August with only a moderate carryover.

These heavy export shipments demonstrate the soundness of the advice given in the recent Turgeon grain enquiry report. Provided we were willing to sell our wheat with no strings attached and to give return goods from buying countries a fair tariff deal in Canada, Mr. Turgeon could foresee no difficulty in restoring Canada's wheat supremacy.

* * *

IN THIS country we grow a wheat equal to the best in the world and superior to most. The vast areas of the Prairie Provinces where this top-quality grain is produced are largely adapted to that crop only. We have created an elaborate and efficient machine for collecting and marketing it. These factors fully justify our leading position in the world of wheat.

There is nothing to be gained and much to be lost by entangling ourselves in impractical schemes of world crop control. Such would only throw business to foreign competitors producing an article inferior to ours. It would increase, not lessen, the financial load now being borne by every citizen of

(Continued on page 2, col. 3)

# Dom. Foundries Should Reach Sales Record

## Large Savings Expected from '38 Building Programme

### PROFITS ALSO GAIN

Dominion Foundries & Steel Co. is assured of a record year in 1938 from the standpoint of volume of sales. This follows on the previous record year, achieved in 1937.

At present there is some slackening of orders in the foundry end of the business but the tin plate mill continues to operate at slightly above its rated capacity of 30,000 tons annually.

As might be expected from such a sales record, there is every prospect that 1938 will also set a new profit record for the company. Last year, net profits were equivalent to $5.52 a share on 120,653 common shares. In August of this year, the company sold additional shares through the issue of rights to shareholders and to employees and officials at $15 a share to bring total issued capital to 152,100 shares.

**May Up Share Earnings**

At present it appears quite possible that the company will be able to reach last year's record of per share earnings on the increased capital now outstanding. The company now regards the 40-cent quarterly dividend, initiated July 2, as the regular rate of $1.60 a share annually.

It is understood that consideration is being given to enlarging the capacity of the tin plate mill, although no definite decision has been announced. This action was suggested as possible some time ago by The Financial Post. The present cold rolling and tin plate mill cost around $2 millions when completed about two years ago.

Company officials characterize their 1938 programme as one of con-

(Continued on page 4, col. 6)

# Policy Loans Rate May Fall

## Life Companies Also Consider Changes on Funds on Deposit

Important changes in certain types of life insurance policies are under consideration by a number of Canadian life insurance companies.

These changes include higher premium rates on investment type policies and annuity contracts, lower interest rates on policy loans, and lower guaranteed interest rates on funds left with the company on deposit. Premium rates on non-participating insurance, it is thought by some may also be raised.

While these changes are under consideration opinion is not unanimous nor have any definite conclusions been reached.

Interest in the matter has been stimulated by changes effected recently in the United States.

Life insurance salesmen there have been using as a sales argument "Buy now before the price goes up," and definite announcement of changes is expected to be made there shortly effective as of Jan. 1, 1939.

There are two main factors affecting the situation in both countries at present. One is the low interest rate available on high-grade investments which affects all types of policies and the other is the more favorable mortality which affects the annuities.

Of the companies interviewed by The Financial Post a majority indicated that some action would be taken shortly. Some felt that this would be done in time to affect policies written after Jan. 1, 1939.

The rate of interest charged on policy loans in Canada at present is 6% and that allowed on funds left on deposit with the companies ranges from 3 to 3½%.

It is pointed out, however, that many Canadian companies pay more than the guaranteed rate.

# Farm Implement Prices Reduced

## Massey-Harris Announces Varying Reductions Effective Nov. 1

Massey-Harris Co. has announced price reductions in its line of farm equipment for Canada. Effective Nov. 1, 1938, "the reductions are the result of a desire on the part of the company to share with its customers the benefits of economies effected, together with the savings resulting from the present slight decreases in prices of raw materials," according to the statement of J. S. Duncan, vice-president and general manager.

In western Canada reductions of farm tractors range as high as $86 and on grain binders with enclosed gears the reductions range up to $10.50; the open gear binder sells for $25 less than the enclosed gear model in western Canada. On the one-way disc seeder the reduction is $15 and on grain drills ranges up to $12.50. The actual reductions vary according to the size of the machine in most cases.

In eastern Canada, reductions in farm tractor prices range up to $84 on grain binders with enclosed gears up to $9.75 and on the open gear binder up to $30. Plows are reduced up to $7 and grain drill as much as $8, according to sizes.

# The Rowell Commission And National Greatness

Out of Europe's crisis have come a question and a challenge.

The question is when and how the next test between democracy and dictatorship will occur. The challenge is how best democracy can match the unity and strength of dictatorship.

This challenge is of direct concern to Canada.

As a leading trade nation of the world and as a senior partner in the British Empire, this country has heavy and increasing responsibilities. Responsibilities which can only be faced by a strong, united, prosperous nation.

Yet national unity, and the strength and prosperity which flow therefrom, are going by default in Canada.

**Provincialism Rampant Across Canada**

Ever since the Rowell Commission was launched, the country has been seething with provincialism. Narrow, provincial politicians have seized on obvious or imagined grievances. They have enlarged them to the point where it is sometimes hard to believe that Confederation has been an established fact for over 70 years.

Most of the factual work suggested by such an enquiry has been done. Experts who were hired have, in many cases, gone back to their own jobs. Yet word comes this week from Ottawa that the report will not be completed in time for the Government to take any action thereon during the forthcoming session of Parliament.

If this be true, whatever provincial legislation be needed to implement the Commission's findings would not be possible until 1940. For if Ottawa takes no action during the 1938-39 session there will be no opportunity for provincial Legislatures, then sitting, to incorporate new legislative recommendations on their statute books.

**Delay May Lead to Serious Consequences**

Such delay, in light of the critical, muddled and indeed precarious state of the nation's financial affairs, is unthinkable. Furthermore the price for such delay may be beyond the capacity of the nation to bear. Failure to obtain some immediate relief and aid from the Rowell Commission studies may well lead to further provincial defaults; to an intolerable drain through continuance of duplicate taxation and overlapping government; to a rising instead of a lowering burden of debt and taxation.

Prime Minister King must insist that some at least of the Rowell studies be completed immediately so that legislative action may be taken as soon as Parliament assembles this winter. It may not be possible to draft and complete the entire report by that time, but there must be a dozen or more important points—relief for property taxation, a national plan of provincial debt refunding, a redistribution of the burden of relief, for example—on which the commissioners have already made up their minds and on which definite and immediate action should be forthcoming.

**Prime Minister Must Give Leadership**

It is equally important that the Prime Minister make up his mind and show his capacity for leadership on two other vital matters affecting the Commission's future. One of these is the matter of the chairmanship of the Commission itself. The other is the critical state of public opinion regarding the Commission's work and responsibilities.

Unfortunately Chairman Rowell is unlikely to be able to give further assistance to the Commission by reason of his physical breakdown. This is, of course, greatly to be regretted.

But it would be even more unfortunate if the Government were to allow the excellent work already done by Mr. Rowell and his fellow commissioners and their staff to fall into disrepute through lack of the leadership which the Commission demands and deserves.

Mr. King should take immediate steps to remedy this situation.

**National Unity Is Issue at Stake**

It is also time the Prime Minister came to bat for his Commission in the broad field of national unity.

Admittedly one purpose of the Commission was to let it be a sounding board for local grievances and problems. Most of these were matters of long standing which had for years plagued legislators and public officials. To bring them out into the open was commendable and a necessary step toward their solution.

But it is high time that our national leaders did something to remind the Canadian people of the other side of the Confederation story.

The purpose of Confederation was to unite Canada and not to divide it.

Many of our political leaders today are seeking to divide Canada and not to unite it.

The air has been filled with complaint and bitterness. Old sores have been stirred up and inflamed, new ones opened.

As Prime Minister of the Dominion of Canada, it is Mr. King's responsibility to give national leadership in the other direction. To let the positive promotion of national unity go by default, as has been done in the past 12 months, is to jeopardize the very basis of our national life.

Canada is eager for national leadership. Everywhere Canadian citizens—especially younger men and women—are looking for courageous, constructive guidance. Tired of drift they seek direction—positive leadership which will renew their faith in Canada and its destiny.

To permit Parliament to rise without a report from the Rowell Commission or to delay action in regard to its findings until next year would be unstatesmanlike and hazardous.

# Behind the Gas Problems

## Attention Focused by Provincial Probes and McColl Dividend Action

By A. D. ELLWOOD

Staff Writer, The Financial Post

Gasoline prices were reduced in eastern Canada an average of one cent a gallon about the middle of October. The reason given was the lower prices for crude oil in the U. S. producing areas that supply most of Canada's needs.

This would give the impression that there was little chance of loss to the oil companies. But perhaps that is not the whole story.

For McColl-Frontenac Oil Co., a major unit in this country, has just passed a common dividend that has been paid at varying rates since 1928. The reason given for this action by the president, J. A. Wales, is "the recent reduction in gasoline prices and the uncertain conditions prevailing in the oil industry."

But this is not the first time that gasoline prices have been reduced and operations of major companies seemed to go on at much the same scale.

Agitations for lower gasoline prices are not new. They have led to government investigations in the past and the ease with which many concerns are able to import gasoline into Canada and sell it in competition with the product of Canadian refineries hardly indicates that it is a highly protected industry. But at present from British Columbia, Saskatchewan and Nova Scotia comes renewed demand for lower gasoline prices.

**Companies Classified**

Only two companies in which there is public investment interest produce enough crude oil on their own properties to supply the needs of their refining and sales organizations. These two are Imperial Oil, through subsidiaries in South America and western Canada, and British American Oil in the United States:

In addition to Imperial and B. A. Oil, three other companies operate refineries in Canada, McColl-Frontenac, Canadian Oil Companies and North Star Oil. Of these three, McColl-Frontenac is the only one to have built up any substantial supply of crude oil and its success so far has been limited.

There is another group which is solely distributing, including Supertest, Crown-Dominion, Thayers and Super-Service Stations.

The petroleum industry has followed the automobile, its chief market.

Gasoline sales figures are not available over as long a period, but in 1920 less than 100 million gallons were sold. By 1937 consumption of gasoline in Canada was at the record level of 718 million gallons, more than seven times the 1920 figure. And of this motor vehicles consumed about 85%.

**From Light to Power**

Gasoline is the chief product, followed by fuel and gas oil. Sales of kerosene have been declining for years. It is still used extensively as a fuel and in 1936, 31.1 million gallons were consumed in Canada but this is less than half the 78.7 million gallons sold in 1922.

Gasoline service stations provide one of the most recent major changes in marketing policies: About three years ago the major oil companies got out of the real estate business.

Perhaps the actual setting of retail gasoline prices in Canada can best be described as conforming to the "replacement principle." In other words, if it develops that gasoline can be brought, say into Hamilton, and sold for less than prices now prevailing, then the price of gasoline in Hamilton is going to come down.

How typical retail gasoline prices across Canada compare, is illustrated by the following table. These prices are for a standard grade of gasoline and allow for a fixed margin for the retailer of three cents in all areas except British Columbia where four cents is allowed. Necessarily they will not be exact in certain instances but they do show the relative fluc-

(Continued on page 20, col. 1)

# Algoma Steel Finances Plant By Bond Issue

## Tin Plate Mill and Other Developments to be Paid by Financing

### EARNINGS HOLD

Algoma Steel Corp. is offering $3 millions of first mortgage bonds to provide funds for the current building and development programme.

The issue is underwritten by Wood, Gundy & Co. and is being handled by a group of Canadian investment firms. It consists of $1.2 million of 3½, 4 and 4½% serial bonds, maturing $200,000 annually to 1944, and $1.8 million of 5% convertible bonds due Nov. 1, 1948. The bonds are being offered at 100, and interest and principal are payable in Canadian funds.

Proceeds of the issue will be used to pay for the mill that is now in course of construction to make black sheets and tin plate as well as for other corporate purposes. The tin plate mill and equipment necessary, as already mentioned in The Financial Post, are to be finished by March 31, 1939. It will cost approximately $2 millions and will have an annual capacity of 30,000 tons. A five-year contract has been signed with Continental Can Co. whereby Algoma Steel will supply 80% of the former's tin plate requirements in Canada.

The other major improvements now under way at Algoma are preparations for the reopening of the Helen Mine to furnish a supply of iron ore and the installation of storage tanks and equipment to use fuel oil in the company's furnaces. A portion of the capital to be raised by the latest bond issue will go toward payment of these assets.

**Earnings Close to Last Year**

Earnings of Algoma Steel for the five months ended Sept. 30, 1938, were $516,564, before deducting bond and other interest, depreciation and income tax. Bank interest for the period amounted to $45,708. On a comparable basis in the year ended April 30, 1938, Algoma Steel earned $1.4 million before allowing for interest of $101,226. Present annual depreciation charge for the company is $548,000.

Since the present company was formed in 1935, earnings have been $1.3 million before interest of $63,420 in the year ended April 30, 1936, and $813,731 before interest of $75,680 in the following year. Interest requirements on the new bonds will be $138,000 in the first year and decreasing amounts thereafter.

As at April 30, 1938, the company's total current assets amounted to $8.3 millions while current liabilities were $4.5 millions leaving working capital at $3.8 millions. Included in

(Continued on page 2, col. 7)

# Ottawa Budget Outlook Better

## Revenue Prospects Appear Bright, But Expenses Higher

By STAFF WRITER

OTTAWA.—With the business outlook brightening, the Government is more optimistic about its budget position.

There is no hope of the budget being balanced, but indications are that revenue will exceed expectations. In budgeting for a deficit of $23 millions in the current year, Finance Minister C. A. Dunning estimated there would be a drop of $15 millions in revenue. It now appears revenue returns may equal last year, especially if there is a continued improvement in business.

In the six months ended Sept. 30, revenues were $6.5 millions ahead of the same period of 1937. This is due to one factor. Income tax receipts are $21.9 millions above last year. In other words, the Government is now reaping the benefit of the higher profits earned in 1937. Other types of revenue, such as customs duty, excise and sales taxes, are lower. Generally speaking, however, business in Canada has shown strong resistance to the recession experienced elsewhere.

Expectations are that revenues may record declines in the next two months. After that, if the world situation improves and business gets better in United States, there should be increases.

At the moment, it is impossible to make any accurate estimate of what the deficit for the year will be. It will be larger than the $23 millions estimated by the budget. It is well known the Government will have to absorb a large loss on wheat. What this loss will be will depend on the price trend. Indications are it will run into many millions of dollars. Then, again, the Canadian National Railways deficit will be considerably larger than in 1937.

A favorable factor will be a reduction in relief costs.

### Western Steel Products 9-month Net Higher

Net profit of Western Steel Products Corp., Winnipeg, was $127,522 for the nine months ended Sept. 30, 1938, after depreciation and bond interest, but before income taxes. This compares with $121,014 for the corresponding period of 1937. The 1938 earnings would be equivalent to $1.08 a share on the 118,218 common shares against $1.02 a share in 1937.

Working capital has improved $172,904 to $799,612 since the end of 1937.

# *Bren Gun Production Proceeds on Schedule*

Reports from Ottawa appearing in various newspapers to the effect that the Royal Commission enquiry is holding up production on Bren machine guns are, The Financial Post learns, entirely inaccurate.

Evidence brought out at the enquiry indicates that equipping of the Inglis plant and production are up to schedule.

When the contract was signed, full provision was made to protect the two governments in the event of the company going bankrupt, in the event of a dispute over terms, or in case of cancellation of the order.

The Canadian Government's contract provides that in the event of unreasonable delay, default or excessive costs the Government may take over the plant. Should the contract be cancelled allowances will be made to the contractors for any payments or commitments made by them, plus 10 per cent. with a minimum payment of $43,750, if the contract were cancelled before production got under way.

Enquiries by The Financial Post at the British War Office reveal that the evidence brought out at Ottawa has not influenced the British Government's attitude toward placing orders in Canada. The War Office has its standard forms of contracts and deals directly with manufacturers on a businesslike basis. Officials insist merely on a fair price and prompt deliveries.

There are no substantial British munitions orders for Canada on the tapis at the moment but that is because the decline in business in England has created spare capacity in British industrial plants which the War Office desires to utilize before turning again to Canada. (See also page 9.)

# Canada's Debt Burden Stirs General Concern

## *Ottawa to Seek New York Funds*

From Our Own Correspondent

MONTREAL.—Expectations are that a $40 millions refunding operation will be carried out by the Dominion Government in the New York market in the next few weeks.

The new capital will be used to take care of the maturing 2% three-year notes, which mature on Jan. 1, 1939. These notes were issued in 1936 and are payable as to principal and interest in American funds. Also the notes are exempt from all Dominion taxes when owned by non-residents of Canada.

## But "Bankrupt" Said Too Strong Description of Situation

Financial difficulties of governmental bodies in Canada have reached serious proportions. There is urgent necessity of decisive action to cope with these problems. But there is no justification for bald, unqualified statements to the effect that "Canada is bankrupt."

This was the gist of reaction of financial authorities and business leaders to the startling statement of The Globe & Mail, Toronto, this week, that: "The fact is, Canada is bankrupt."

Representative financial and industrial leaders interviewed by The Financial Post, disagreed with The Globe & Mail declaration. But almost all viewed with concern the lack of progressive steps to deal with the financial insufficiency of several provincial governments, and the increasing resort of the Dominion Government to meet expenditures by borrowing.

**Investors Perturbed**

The statement of the Toronto journal proved perturbing to investors in governmental securities, and to those closely concerned with both the issue and distribution of such obligations. The original bare declaration was embodied in a lengthy editorial calling for strong leadership to solve Canadian difficulties, and was amplified in a subsequent editorial which said, in part:

"When it requires $250,000,000 for Provincial Governments to service the same people the federal and municipal Governments are looking after at huge expense, and the provinces still have failed to pay their way to the tune of $1,500,000,000, it doesn't require a trained economist to see that the country is being catapulted into bankruptcy. The fact is we are there now." (The $1.5 billion figure is the estimated gross bonded debt of all the provinces.)

More acceptable to those challenging the newspaper's basic contention was the accompanying assertion in the same editorial:

"Someone is needed to come out courageously to challenge political laissez faire, expose realities, show the public the stark truth, and direct to sound public finances."

**Hepburn Disagrees**

Suggestion of The Globe & Mail that this "someone" could be Premier Mitchell Hepburn of Ontario, proved to be directed at a man disagreeing sharply with the main premise of the newspaper. Asked by The Financial Post for comment on the Toronto journal's blunt contention that "the fact is Canada is bankrupt," Premier Hepburn said:

"That strikes me as a very mischievous statement and not according to the facts. I do not believe that the Dominion of Canada is bankrupt, and certainly the Province of Ontario is not bankrupt. It will certainly create a bad impression outside our country, and might easily lead to a financial panic. I am surprised The Globe & Mail should make such a statement."

**Improper Statement**

A Toronto financial administrator who is an international authority on the status of public debts, protested that The Globe & Mail's "extravagant summing up" of an admittedly serious situation was "a most improper and undesirable way to try and strengthen Canadian public credit." He continued:

"The credit position of the Dominion is on an excellent basis both here and abroad. Despite the difficulties with which the authorities at Ottawa are grappling, we still have got resources with which to pay our obligations as they mature, even if at times it is necessary to refinance. The current quotations for Dominion and Ontario issues provide an assur-

(Continued on page 2, col. 1)

# M.P. Explains Gun Deal Help

## Hugh Plaxton Tells Bren Enquiry About Aid Given

From Our Own Correspondent

OTTAWA.—Testimony by Hugh Plaxton, M.P. for Toronto-Trinity, featured proceedings of the Bren gun contract enquiry here this week. Highlights of the evidence of Mr. Plaxton, who introduced Major J. E. Hahn, contract negotiator, to senior defence department officials, were as follows:

1. He had never told the Prime Minister, the Minister of National Defence or the Deputy Minister that his brother, H. A. W. Plaxton, and J. D. Cameron, Toronto stockbroker, were associated with Major James E. Hahn in organizing the new Inglis company, holder of the Bren gun contract.

2. A personal letter from Prime Minister Mackenzie King, stating that he (King) saw no reason for precluding Canadian firms from British munition orders had been passed on to either Major Hahn or his brother. To his knowledge the letter had not been used in negotiations with Sir Thomas Inskip or anyone in England.

3. He had written Deputy Minister L. R. La Fleche asking that the Inglis company be included in any calls for tenders by the defence department for munitions which could be manufactured in the plant.

4. Since the dissolution of his partnership with his brothers, Herbert, James and Gordon Plaxton, he had kept no books in his legal practice to show receipts or disbursements.

**Investors Got Article**

Evidence this week also disclosed that the article by Col. George Drew, in Maclean's Magazine, attacking the Bren contract, had been sent to clients by the brokerage firm of E. H. Pooler and Co., Toronto, attached to a circular quoting extracts from the article dealing with possible profits. The circular stated that the article was "interesting from the investors' standpoint."

Two extracts from the article quoted in the circular were:

"The greatest opportunity for large profits lies in the stock of the company . . .

"Through any market stimulation this stock should sell up to $25 a share, which would not be a very difficult market operation."

Mr. Pooler, in the witness box, denied knowledge of how the circular had been sent out, but said he understood his statistical department

(Continued on page 2, col. 3)

# Highlights of the Week

**Munition orders from Britain have** been talked of for some time in Canada, but recent developments have changed the picture.

*Munition Orders—p. 9.*

* * *

**Looking after** indigent hospital patients costs more money than the hospitals get from provincial and municipal treasuries. Now a tendency of municipal authorities to balk at paying the resulting deficits is bringing a serious problem to a head.

*Growing Hospital Deficits—p. 12.*

* * *

**Both industrially** and marketwise, International Nickel has an extraordinary record of achievement. Its far-reaching ramifications are outlined in the second article of The Financial Post's "Market Leaders" series.

*Stock the World Watches—p. 11.*

* * *

REGULAR FEATURES

| | |
|---|---|
| Banking | 16 |
| Bond Markets | 5 |
| Commodities | 15 |
| Construction | 13 |
| Editorial | 6 |
| Investment Trends | 4 |
| Investor's Enquiries | 8 |
| Market Opinions | 4 |
| Pulp and Paper | 9 |
| Week in Business | 7 |
| Week in Mining | 18 |
| Week in Oils | 18 |
| Week in Wheat | 18 |

# Lake Sulphite Rehabilitation Plans Proceed

## One or More Schemes May be Put Forward by Year End

### MANY ARE INTERESTED

From Our Own Correspondent

MONTREAL. — Various plans are under consideration for the reorganization of Lake Sulphite Pulp Co. At this time one, and possibly two, plans are advanced sufficiently far to warrant the belief that some action may be taken before the end of November to bring about the rehabilitation of the company.

English, American and Canadian capital is interested in putting the company back on its feet. At this time it is possible that a combination of all three will be back of the scheme when it is taken out of bankruptcy.

Two groups are working on a plan. One group is headed by R. O. Sweezey, original president of Lake Sulphite Pulp and head of the investment firm which was a party to the underwriting. The other group is headed by John Stadler, engineer in charge of the project, who was made president shortly before the company folded up.

**$5 Millions of New Money**

Somewhere in the neighborhood of $5 millions will be needed to complete the project. The company still has $3.5 millions of bonds which can be issued, but another $1,250,000 will be needed.

It would appear that whatever scheme is finally adopted will provide for the issuance of bonds, notes, preferred and common stocks. While the present holders of the notes and stocks will have to make some concessions, one report is that they will not have to give up as much equity as was at first believed.

Whatever is finally decided will depend largely upon the comeback of the pulp market. The original scheme to manufacture high-grade sulphite pulp has been pretty well discarded and any reorganization carried out will have as a requisite the conversion of the mill at Red Rock to rayon pulp. It will be recalled that some machinery was installed and more contracted for to provide for the manufacture of this type of pulp.

Reports have been circulated from time to time as to the identity of the groups interested in the reorganization of the company. The two principals—Sweezey and Stadler—are not talkative on this point.

It is learned that the Gair Co., of New York, which already has a substantial stake in the Canadian paperboard industry, is understood to have shown an interest in acquiring a portion of the equity.

Unidentified interests in Chicago, owners of timber limits in western Ontario, also are said to be willing to advance capital on certain terms and conditions.

Canadian Industries Ltd. has been mentioned frequently as being willing to put up the necessary capital. The tie-up here is that Lake Sulphite could be used to feed the C.I.L. Cellophane plant at Shawinigan Falls. However, it is learned that C.I.L.'s interest lies along other lines and it is more interested in finding a market for one of its own products in Lake Sulphite's pulp making operations.

There appears to be no lack of interest in the rehabilitation of the company and the hope is expressed that the Red Rock plant can be put into shape for operation by next May or June.

# Corp. Investors Lowers Dividend

## Five Cent Payment Contrasts With Former Seven Cent Rate

Corporate Investors Ltd., Toronto investment trust, has declared a dividend of five cents a share, payable to shareholders of record Oct. 29, 1938. This is a reduction from the three previous quarterly payments which have been at the rate of seven cents a share.

In explanation of the reduction, H. J. McLaughlin, secretary, is sending a letter to shareholders in which he says that:

"Uncertainty in international affairs during the past year culminating in the recent crisis, combined with depressed business conditions, particularly in the United States, have resulted in many corporations reducing or deferring dividends during that period. Since this company pays dividends only out of income received from securities of other corporations held in its portfolio, the amount available for dividends has, of course, been affected.

"There are now definite indications of an improvement in conditions and this is evidenced in the case of Corporate Investors Ltd. by the fact that the market value of securities in the company's portfolio increased by 14½% during the month of Oct., 1938."

### Install First Gas Lift Pump in Turner Valley

From Our Own Correspondent

BLACK DIAMOND, Alta.—Operators are watching with great interest the success of the experiment now being tried at the Westside well of Brown Corp. A phlneumatic pump for the gas lift pumping of oil wells has been installed, the first in the field. Success here may revolutionize oil well methods, and add greatly to the ultimate recovery from the field.

MEN'S SHOP

We Offer You A Most Distinguished Selection of

**Burberry Overcoats**

The individual character of Burberry overcoats in styling, all wool fabrics and design, is well known to well dressed men the world over. Then too ... Burberry's embody features that these men of prominence look for in their overcoats. The Men's Shop offers a particularly fine selection of Burberry overcoats. Sizes 35 to 44.

EACH

55.00

TO

65.00

FREE PARKING WHILE SHOPPING

**MEN'S SHOP**

BAY STREET SECTION

EATON'S - COLLEGE STREET

## Canada's Debt Stirs Concern

(Continued from page 1)

ing test of solvency that should be sufficient answer to the absurd statement of The Globe & Mail.

"However, we should not overlook the fact that the situation is undoubtedly serious when we consider the burden of taxation that is required to meet the obligations of governmental financing in this country. People have reached the limit of taxing capacity, and additional burdens cannot be imposed without disastrous effect. The obvious remedy is a drastic curtailment of overlapping and unnecessary expenditures."

### Insurance Executive Astonished

The president of one of Canada's leading insurance companies expressed astonishment at The Globe & Mail statement, adding:

"There is no justification for it. Nobody who has given any thought to the matter would subscribe to such sentiments. When a country is bankrupt chaos results, but here in Canada we are far from that. The Dominion has come through a very difficult period but has done well, and with anything like a reasonable chance will make good headway.

"What we do need at present is better leadership, especially in the provinces. At Ottawa we have two or three men who are in deadly earnest about placing the national finances on a better footing. Looking back over the last few years it must be realized that W. C. Clark has done a wonderful job in making it possible for the Dominion to refund such a large part of the national debt at lower interest rates.

"No, I don't think Canada is bankrupt. Given the right leadership and a solution of our two main problems of relief and the railways I feel that Canada has a bright future."

### Carlisle's View

In opinion of C. H. Carlisle, prominent financier and industrialist:

"There is no need for national bankruptcy in this country if governments would aid industry in pursuing sound policies. Excessive debt and taxation as well as unwarranted and unwise governmental control are however exercising a retarding influence on the ability of business in Canada to give employment and operate at a profit."

The chief executive of a large merchandising enterprise preferred to withhold comment on the newspaper's statement, but observed that "sometimes statements such as the one that Canada is bankrupt have a double meaning."

"I don't think Canada is bankrupt in a real sense," he added. "I think I know what the editor meant. He did not mean to be taken literally."

### Stand Endorsed

The president of a large Canadian milling company agreed that Canada might not be bankrupt in the strict sense of the word, but felt that "anyone who really considers this problem is staggered and might easily use the term bankrupt." He added:

"Indeed we are not far from this very condition. And if it is the only way in which we can arouse our federal and provincial government to adopt the policy of rigid economy, probably bankruptcy is a good word to use. I heartily endorse the Globe & Mail articles on Canada's debt situation."

A. N. Mitchell, president of the Canada Life Assurance Company: "I don't believe Canada is bankrupt. She has some difficult problems it is true, and can become bankrupt if she does not manage her affairs properly. But if we tighten our belts and face the situation courageously Canada will be all right."

G. C. Moore, general manager of the Imperial Life Assurance Company of Canada: "I don't think the statement is to be taken literally. I think that the intention was to give people a shock and to wake them up to the need of grappling with our difficulties. We need strong leadership at the present time."

## *Aircraft Group Completing Plans*

From Our Own Correspondent

MONTREAL. — British Government contracts for the manufacture of airplanes in Canada will likely be placed this week. Private cable dispatches from London indicate that the group of Canadian airplane manufacturers that accompanied Paul Sise, president of the recently formed Canadian Associated Aircraft, will sail for home this week end. No particulars are available as to the extent of the orders, either as to number, types or value of machines. However, it is believed that the initial contract will provide sufficient business to keep the airplane plants affected operating at or near capacity for some time to come.

## Notice of Tender
### DAIRY FOR SALE

Everyone interested in buying, in whole or in part, the Assets of **LA LAITERIE CHAMPLAIN LIMITEE**, are requested to communicate immediately with the undersigned trustee who will give all information required.

Business established since over twelve years and actually operated.

Tenders, when made, must be accompanied by a certified cheque for 10% of the amount of the said tender.

It is understood that the estate is not bound to accept any one of the tenders received.

THE TRUSTEE,
MAURICE BOULANGER, C.A.
Offices: LaRUE & TRUDEL, C.A.,
71, St. Peter St., QUEBEC.

## Electrolux Corp. Profits Decline

From Our Own Correspondent

MONTREAL. — Electrolux Corp has advised the Montreal Stock Exchange that its consolidated net profit for the first nine months of the current year amounted to $1,513,140. This is after all charges including income tax and surtax on undistributed profits and is equivalent to $1.22 a share on the common stock. In the same period of 1937 the company earned $1.74 a share on its common stock.

In the three months ended Sept. 30 the company earned a profit of $301,434, equivalent to 24 cents a share. This compares with a profit of $541,657 or 44 cents a share in the same quarter last year. Earnings of the previous quarter of the current year were 44 cents a share.

In the entire 12 months of 1937 Electrolux Corp. earned $2.24 a share on its common and paid $2.20 a share. Currently it is paying dividends at the rate of $1.60 a share annually. If the dividend is to be covered then the company will have to earn 38 cents a share in the current quarter. In the last quarter of 1937 profits were equivalent to 50 cents a share.

## The Nation's Business

(Continued from page 1)

Canada on behalf of the Prairie Provinces.

• • •

### British Columbia Finances Show Improvement

SOME congratulations are again in order for the British Columbia Government and its able Finance Minister, Hon. John Hart.

Fiscal results for the 12 months ended Mar. 31, 1938, are the best reported in many years.

With revenues at a peak level, surplus on ordinary account, before providing anything for unemployment relief or debt redemption, was $4.2 millions compared with $3.3 millions in 1936-37. Since $852,982 was provided for debt service, the surplus reported by the Government is $3.3 millions as against $2.6 millions in the previous year.

Regarded a few years ago as being on the verge of default, British Columbia has made a remarkable recovery. In the place of large deficits on ordinary account it now has substantial surpluses. The 1937-38 fiscal year is the sixth successive period in which there has been an improvement in budget position.

• • •

BRITISH COLUMBIA has reason to be pleased with its achievement, but its position cannot be regarded as entirely satisfactory.

Since the 1933-34 fiscal year revenues have risen by over $10.8 millions, an increase of 50%. This indicates British Columbia has experienced considerable business recovery. In fact, revenue figures for the 1937-38 year point to substantial prosperity.

If ordinary expenditures of government could have been pegged at the 1933-34 level of $20.5 millions, British Columbia would now be in an excellent financial position. It would be able to pay its own share of relief costs without borrowing from the Dominion, meet sinking fund payments in full and still have a substantial surplus. However, expenditures have increased as revenues have risen. In 1937-38 expenses were $7 millions, or 34%, above the 1933-34 level.

Some of this increase was without doubt necessary. Expenditures in 1933-34 cannot be regarded as normal as the province had been forced to make drastic cuts because of its weakened financial position. It should, however, have been possible to have held them below the present level of $27.6 millions, which is an increase of $2.2 millions over the previous year.

British Columbia will have to recognize that revenues will not mount continuously. The province has a heavy burden of debt and something will have to be done to reduce it. This will not be possible if the cost of government is permitted to rise.

## Investors' Index

### INDUSTRIALS AND UTILITIES

| | | | |
|---|---|---|---|
| Abitibi | 9 | Inter. Milling | 15 |
| Algoma Steel | 1, 2 | Lake of Woods | 15 |
| Alta. Pacific | 15 | Lake Sulphite | 1 |
| Am. Cyanamid | 5 | Laura Secord | 4, 12 |
| B. A. Oil | 20 | Maritime Tel. | 4 |
| Bay St. Albans | 5 | Massey-Harris | 1, 4 |
| Bldg. Products | 13 | McColl-Front. | 4, 20 |
| Can. Dredge | 8 | M. & O. Paper | 2 |
| Can. Malting | 3 | Montreal Tel. | 4 |
| Can. North. Pr. | 4 | Muirhead | 5 |
| Can. Oil | 20 | Niagara Wire | 8 |
| C. I. L. | 2 | North Star | 20 |
| C. N. R. | 7 | Postal Tel. | 4 |
| Cons. Paper | 9 | Power Corp. | 4, 16 |
| Corp. Investors | 1 | Price Bros. | 8 |
| C. P. R. | 16 | Remington | 17 |
| Crown-Dom. | 20 | Robt. Gair | 9 |
| Cub Aircraft | 8 | Rolland | 9 |
| D. A. Stuart | 20 | Soo Line | 12 |
| Dom. Fdy. | 1 | Stand. Steel | 17 |
| Dosco | 12 | St. Maurice | 13 |
| Eastern Car | 5 | Super-Service | 20 |
| Easy Wash. | 17 | Supertest | 20 |
| Electrolux | 2 | Tamblyn | 3 |
| Fleet Air. | 3 | Thayers | 20 |
| Fraser Cos. | 9 | Tor. Elevators | 13 |
| George Weston | 8 | Wabasso | 4 |
| Goodyear Tire | 8 | West. Can. | 9 |
| Grt. North. | 9 | Westminster | 9 |
| Humberstone | 4 | West. Steel | 1 |
| Imperial Oil | 20 | Wpg. Electric | 5 |
| | | W. Kootenay | 4 |

### MINES AND OILS

| | | | |
|---|---|---|---|
| Afton | 19 | Minesta | 19 |
| Anglo-Can. | 18 | Mining Corp. | 18 |
| Anglo-Huron | 19 | New Gold. Rose | 19 |
| Bayonne | 19 | Okalta | 18 |
| Brock Gold | 19 | Ossian | 19 |
| Darrell | 19 | Paymaster | 12 |
| Denison | 19 | Pend Oreille | 15 |
| Eldorado | 12 | Randall | 19 |
| Elizabeth | 19 | Read Authier | 19 |
| Fondulac | 19 | Reno | 19 |
| Galloway | 12 | Reward Min. | 19 |
| Gorham | 19 | St. Anthony | 19 |
| Inter. Nickel | 11 | Sylvanite | 19 |
| Jellicoe | 19 | Upper Canada | 19 |
| Katherine | 19 | Washington | 19 |
| Lardego | 19 | Wood Cad. | 19 |
| Lebel Oro | 10, 19 | Yama | 19 |
| | | Ymir Yank. | 19 |

### QUOTATIONS

| | | | |
|---|---|---|---|
| Bonds | 14, 15 | Industrials | 14 |
| Grain | 15 | Mines & Oils | 14 |
| Foreign Exchange | 7 | | |

## *Hugh Plaxton Traces Bren Deal Connection*

(Continued from page 1)

had obtained an advance copy of the magazine from Cameron, Pointon and Merritt, financial agents for the Inglis organization.

Col. Drew questioned this statement.

"Will you swear that you didn't have lunch at the National Club, in Toronto, with Gordon Plaxton, two days before the issue of this circular and there discuss with him an advance copy of this article?" he asked.

### Does Not Remember

"I can't swear, because I don't remember," was the reply. Mr. Pooler thought 10 or 11 copies of the article had been bought for circularizing.

Mr. Pooler testified that he had purchased 725 shares of Inglis stock from Cameron, Pointon and Merritt at $6 and had resold most of it to clients at $7.50 and to Kippen and Co., Montreal brokers, at $6.75.

In addition to this he had held a certificate for 1,000 shares as collateral against a loan to Herbert Plaxton. This loan now had been repaid and the shares were free. He had received no order, he testified, to sell them.

Eric Kippen, head of the Montreal firm of brokers, testified that he had purchased some 240 shares of Inglis stock from Pooler and Co. and that he still held about 200 shares. He expressed the opinion that when the Drew article first appeared it had "stimulated enquiries" about the Inglis stock.

### Plaxton Denies Interest

Mr. Plaxton swore that he neither had now nor ever had any financial interest in the Inglis contract, and that he held no shares of Inglis Co. stock. None of his money had gone into stock held by his brother nor had he received any credits in this connection through his trading account with Cameron, Pointon and Merritt, the brokerage firm which handled the Inglis Co. financing.

He had received a loan of $100 from Major James E. Hahn during the trip they had made together to England in 1936, but had repaid it.

He had no interest, he testified, directly or indirectly in the legal account of Plaxton & Co. with the Inglis Co. Except for a few cheques in the fall of 1935 he had, he said, received no money from Plaxton & Co. since he severed his connection with the partnership in October, 1935. Under examination by Government counsel, J. L. Ralston, he went in some detail into the arrangement by which he kept his office in the Plaxton & Co. suite.

### Knew in "Rough Way"

He had known in the summer of 1936 that his brother, Herbert A. W. Plaxton had been connected with Major Hahn and J. D. Cameron, of Cameron, Pointon & Merritt in a deal involving the old Inglis Co. plant. He swore, however, that up to the time of the signing of the Bren gun contract he had had no first hand knowledge of the documents and agreements involved in the new Inglis Co. set up.

"Didn't it strike you that with your brothers interested in the Inglis plant your activities as a member of Parliament might be misconstrued?" Mr. Ralston asked him.

"That thought never occurred to me," Mr. Plaxton replied. "I made a rough study of the act when I first became a member, to acquaint myself with my duties. Frankly, at the time I did not think of any impropriety, because, in my opinion, none existed."

He had readily consented, he said, to introduce Hahn to Gen. L. R. La Fleche, Deputy Minister of National Defence, whom he knew quite well. This had required a trip to Ottawa on Oct. 9, 1936.

### Introduced Hahn

Subsequently he had introduced Major Hahn and J. D. Cameron to Hon. Ian Mackenzie, Defence Minister. This interview occurred in the Minister's suite at the Chateau Laurier. As Mr. Plaxton recalled, it had been for the specific purpose of getting a letter of introduction for Hahn to Hon. Vincent Massey, Canadian High Commissioner in London.

He had had private interview with Mr. Mackenzie first and assumed that he had advised the Minister of the location of the Inglis plant in his constituency "which after all made it a proper matter for me to discuss with him."

Mr. Ralston recalled that on Oct 20, the day after this interview, Gen La Fleche had mentioned in a letter the possibility of the Canadian Government placing an order for Bren guns with Hahn. "Did you know of this possibility?" he asked.

"I certainly developed an impression, in the light of what I knew of defense conditions in Canada, that there was a possibility," Mr. Plaxton admitted.

### Expense Cheques

The two cheques for $750 and $500 paid to Plaxton for his expenses on the English trip were produced as evidence. The witness said his trip had cost him about $1,800 or $1,900, but he had kept no record of his expenses.

Questioned by Mr. Ralston on his part in the incidents of this trip, Mr. Plaxton repeated frequently that he was unable to recall specific details. He couldn't recall Hahn ever having told him about the possibilities of a British order or any suggestions which had been made referring to it.

### Cables Being Traced

Under cross-examination by Col. Drew, Mr. Plaxton said he couldn't remember whether he had sent three cables to England addressed to Major Hahn from the Plaxton and Co. offices. These cables, noted on the firm's accounts as having been paid for on May 14, June 15 and July 26, 1937, are being traced.

Mr. Plaxton had been consulted by Major Hahn in the summer of 1936 when purchase of the old Inglis plant was under consideration. He had advised Hahn to find out whether Canadian Government policy would permit soliciting orders for munitions from the British Government.

As a result, he (Plaxton) had written Prime Minister Mackenzie King on Aug. 24 on behalf of a "group of friends" interested in munition manufacture. He had received the reply from the Prime Minister, mentioned above, and had passed it on.

### Personal Matter

Commissioner Davis: "Why did you let a letter from the Prime Minister out of your hands? Wasn't it a personal matter? To whom did you give it?"

Mr. Plaxton: "I believe I gave it to Major Hahn or my brother."

The Commissioner: "As a Member of Parliament didn't it occur to you to take the Prime Minister into your confidence on the fact that a firm of stockbrokers, Hahn and your brother were associated in the venture?"

Mr. Plaxton: "The chief thought in my mind was to find out whether Government policy would permit the British orders. The whole thing at that time was nebulous . . . I might be open to criticism, but I have never thought of Hahn or Cameron, Pointon and Merritt as anything else but friends."

Mr. Plaxton's evidence also touched on his dinner at the Rideau Club, on the night of March 17, 1938, with Gen. La Fleche, Major Hahn and Col. J. R. Orde, of the Ordnance Service. He testified that his original dinner engagement that night had been with Major Hahn, but that the Major had telephoned to him in his Parliament Buildings office to break the engagement. A little later when he had been leaving the buildings he had met Hahn, Gen. La Fleche and Col. Orde and Gen. La Fleche had invited him to join the party.

This was the night on which the interdepartmental committee of which Gen. La Fleche was a member had been engaged in the final discussion of the Bren contract, a discussion which had lasted until 3 o'clock the next morning.

### Approached Elliott

At an earlier stage in these committee discussions, Mr. Plaxton had called on another member of the committee, Fraser Elliott, K.C., Commissioner of Income Tax. Mr. Plaxton testified that he had gone to see Mr. Elliott about getting jobs in the department for his constituents.

He had afterward discussed the Inglis contract because, he testified, he was interested in having the plant in his riding re-opened. He remembered having expressed the opinion to Mr. Elliott that the matter of tenders on the contract was outside the scope of the inter-departmental committee's duties.

### Hahn Admits Error

Major Hahn, in his evidence last week, admitted that he had not been accurate when he had written to Gen. La Fleche in London in May, 1937, describing himself as representing the John Inglis Co. "incorporated in 1860." He added that he had been writing to a man "who knew the general situation."

Two other facts which he confirmed in cross examination by I. F. Hellmuth, counsel for Maclean's Magazine, were:

1. That the new John Inglis Co. had started actual operations on April 1, 1938, the day after the signing of the Bren gun contract. Operations in the plant had been virtually suspended prior to that for a period of two years.
2. That the first concrete proposal for the manufacture of Bren guns by the Inglis Co. had been made to the Department of National Defence (Dec. 29, 1936) and not to the British War Office.

The witness, however, declared that on Oct. 9, 1936, when he had been introduced to Gen. La Fleche, he had had no specific idea of Canadian business.

"My whole attention was focused on the position of British business," he testified.

### Formation of Company

Mr. Hellmuth: "At the time you saw him (La Fleche) nothing had been done in regard to the company nor had the company been incorporated or organized to take over or control that plant."

Mr. Hahn: "I think that is probably correct. Legal steps had not been taken."

Mr. Hellmuth: "There had been nothing completed in connection with the organization nor even the creation of a company."

Mr. Hahn: "It hadn't been completed on paper. It had been discussed."

### Pre-contract Expenses

Mr. Hellmuth drew his attention to the $13,000 charged to the Government as pre-contract expenses. Mr. Hahn believed they had been justified in view of "the $500,000 saving to the Canadian Government on the contract."

Mr. Hahn was followed on the stand by G. W. Gillespie, Enfield engineer who had been engaged on technical work by the Inglis Co. Answering Mr. Hellmuth's objection to the lengthy technical evidence which resulted, Mr. Ralston recalled the suggestions made during the enquiry that the guns could have been made by a number of firms in Canada.

Commissioner Davis: "Are you doubting that?"

Mr. Ralston: "Yes."

Commissioner Davis: "You say other firms in Canada cannot make it; as Government counsel do you say other firms in Canada cannot make this gun?"

Mr. Ralston: "I am saying that I doubt that other firms can make this gun and estimate what their prices will be to the public—prices which would be fair prices."

## Needy Mothers to Get $40 a Month in Quebec

From Our Own Correspondent

MONTREAL.—Maximum mothers' allowances in Quebec are to be $60 a month. According to an announcement in the Quebec Gazette, payments under the Needy Mothers' Act will be $40 a month to a woman with two children under 16 years of age and an additional $5 for each additional child. In no case is the total allowance to exceed $60 a month.

The department administering the act has authority to reduce the allowances by as much as 30% in respect of children owning property valued at $1,000.

In the past, no allowances to needy mothers have been paid by the Quebec Government although other provinces have had mothers' allowances for some years. Legislation establishing allowances for this province was passed at the last session of the Quebec legislature. Payments are to commence on Dec. 15 next.

## C. I. L. Profits Down This Year

### Volume of Sales Reflects General Recession — Outlook Better

From Our Own Correspondent

MONTREAL.—While the outlook for the chemical industry for the next few months seems more promising, sales of Canadian Industries Ltd. in 1938 will not attain the level of last year, according to a statement issued by the company. Due to the decrease in volume of production and to the effect of lower selling prices for some of the company's products, profits also will be somewhat lower.

The severe decline in the volume of manufacture of motor vehicles and pulp and paper has impeded the progress of C.I.L. in the present year, but the maintenance of sales of chemicals and explosives to the mining industry and the increased demand for fertilizers in all sections of the country have mitigated to some extent the effect of the recession.

### Big Year in 1937

Substantial progress and expansion were recorded by C.I.L. in 1937. The volume of sales surpassed all previous records; the dollar value being 23½% over the previous year, with all divisions contributing to the increase.

Net earnings from all sources in 1937 amounted to $5,721,862 after provision for depreciation, as compared with $4,729,330 in 1936. This was equivalent to $7.86 a share on the combined class A and B stocks, including a non-recurring gain of 22 cents a share realized on the sale of marketable securities.

### Foresaw Development

Present prospects of somewhat smaller volume of sales and profits this year is in line with forecast made Arthur B. Purvis, president, in his last annual report. At that time—March—he said: "In view of the problems facing the country and the possible repercussions from the unsettled conditions in the United States, probabilities for 1938 were difficult to judge. Earnings and operating activities of the company have closely paralleled general business conditions in recent years and this relationship may be expected to continue during 1938."

## B. C. Revenues At Peak Level

### Budget Results for 1937-38 Are Best in Many Years

Fiscal results of the Province of British Columbia on ordinary account in the 12 months ended March 31, 1938, were the best in many years.

With revenues at the highest peak in the history of the province, ordinary surplus for the year, before providing anything for debt redemption or unemployment relief, amounted to $4,217,882. This compares with $3,346,375 in the previous year.

Ordinary surplus for the year, as reported by Finance Minister John Hart, was $3,364,899, after providing $852,982 for debt redemption. In the 1936-37 fiscal year there was a surplus of $2,689,022 after providing $657,352 for debt redemption.

Comparative figures of revenue and expenditure are given below:

Ordinary Account
Years Ended March 31

| | 1938<br>$ | 1937<br>$ |
|---|---|---|
| Revenue | 31,036,942 | 28,102,612 |
| Expenditure | 27,672,043 | 25,413,589 |
| Surplus | 3,364,899 | 2,689,023 |

### Revenues and Expenses Up

This is the fifth successive year in which there has been an improvement in the budget position of the province as a result of increased revenues. Revenues for the year were considerably in excess of expectations. In bringing down his budget for the 1937-38 fiscal year, Hon. John Hart estimated revenues would total only $26,469,341. A year ago this figure was revised upward to $29 millions, but the revised estimate was also too conservative.

Ordinary expenditure of the Government have also increased. In the 1937-38 fiscal year they totalled $27,672,043, compared with $25,413,590 in 1936-37. In the 1933-34 fiscal year they amounted to only $20,582,836.

The province's share of relief costs, including direct relief and relief works, amounted to $5,172,755, compared with $5,645,378 in the previous year. Direct relief cost $3,700,241, relief works $1,454,020 and loans to municipalities $18,493.

Cost of relief in British Columbia to the Dominion Government was $2,911,417. This compares with $3,724,647 in 1936-37.

### Borrows Less

In order to finance relief works and $335,341 of direct relief, the provincial government borrowed from the Dominion during the year a total of $1,781,553. This compares with $2,956,355 borrowed in the previous year. The amounts borrowed in both of these years are substantially smaller than in the two previous years when the entire cost of relief was borrowed and also funds to meet maturing obligations.

## Bond Redemptions

| Bond Issues: | Rate | Year | Due | Price |
|---|---|---|---|---|
| Riordon Pulp ... | †6% | 1942 | Dec. 31 | 105 |
| Mississippi River Power ........ | *5% | 1951 | Jan. 1 | 105 |
| Aluminium ..... | ▲5% | 1948 | Jan. 1 | 103 |
| Eastern Car .... | †6% | 1952 | Jan. 1 | 105 |
| For sinking fund purposes: | | | | |
| Can. Foundries .. | ■6% | 1942 | Feb. 2 | 110 |

†$85,900. *$152,900. †$40,000.
▲$3,000,000. ■$38,000.

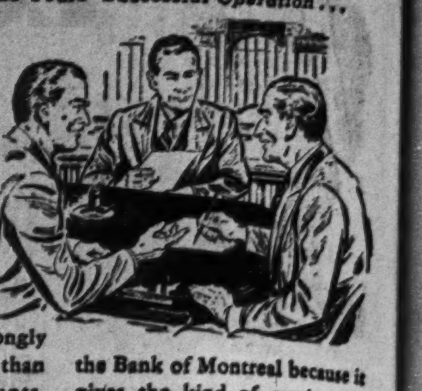
## Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

| Municipal— | Date Issued | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Village of Charlemagne, P.Q. | Oct. ... | Credit Anglo Francais | 4% | 1-25 yr. | $15,000 | 98 | ..... |
| Sch. Com. St. Jean Vianney, Gatineau, P.Q. | Oct. ... | Credit Anglo Francais | 3½%<br>4% | 1939-40<br>1941-53 | *10,000<br>20,000 | 97.50<br>97.50 | .....<br>..... |
| Village of Forest Hill, Ont. | Oct. ... | Wood, Gundy & Co. | 3½% | 1939-58 | 150,000 | 102.18 | 3.26% |
| Drummondville, P.Q. | Oct. ... | Bell, Gouinlock & Co., and Mead & Co. | 3½% | 20-ser. | 171,500 | 98.287 | ..... |
| Charlottetown, P.E.I. | Oct. ... | Bell, Gouinlock & Co. | 4% | 20-yr. | 76,000 | 103.20 | 3.77% |
| **Provincial—** | **Date Issued** | **Sold to** | **Rate** | **Due** | **Amount** | **Price** | **Yield** |
| Quebec | Oct. ... | Bank of Montreal and Syndicate | 3% | 1947 | $20,000,000 | 98.06 | 3.35% |
| **Dominion—** | | | | | | | |
| Canada Treasury Bills | Oct. ... | ........ | .... | Feb. 1, '39 | $25,000,000 | 98.819 | .717% |

*Guaranteed by Province of Quebec subsidies. †Offering price.

MODERN, EXPERIENCED BANKING SERVICE
. . . The Outcome of 121 Years' Successful Operation . . .



There is a spirit of service and co-operation about the Bank of Montreal which appeals strongly to the holders of its more than one million deposit accounts. You will enjoy banking with the Bank of Montreal because it gives the kind of service that customers appreciate.

**BANK OF MONTREAL**

ESTABLISHED 1817

"YOUR BANK AND HOW YOU MAY USE IT"—*Ask for booklet*

## Algoma Steel Co. Plans Bond Issue

(Continued from page 1)

current liabilities were $3.3 millions of bank loans secured by $5 millions of 5% first mortgage bonds. It is estimated that upon completion of the present construction programme, working capital as at April 30, 1939, will be $5 millions.

The present company resulted from the 1935 reorganization. By this scheme funded debt of the former company of $20.1 millions was wiped out in exchange for common stock and fixed assets formerly on the books at $40.4 millions were written down to $13.8 millions.

The old company was largely dependent on steel rails for its output but a programme of diversification by the present company has given it a wide range of steel products soon to include tin plate and coke and by-products.

Capitalization of Algoma Steel, upon retirement of presently outstanding bonds and completion of present financing will be as follows:

Capitalization
(Giving effect to present financing)

| | Authorized | Issued |
|---|---|---|
| 1st mtge. bonds ... | $6,000,000 | $3,000,000 |
| 5% pref., $100 par ... | 2,700,000 | 2,201,500 |
| Common, n.p.v. ... | 1,000,000 sh. | 407,540 sh. |

### Bonds Convertible

Of the authorized common shares, 88,060 shares will be reserved for conversion of outstanding preference shares and a further 90,000 shares for conversion of the series A bonds. The serial 3½% and 4% bonds will not be convertible. The first $600,000 of 5% ten-year bonds tendered for conversion will be convertible into common on the basis of six shares for each $100 of bonds; the second $600,000 on the basis of five shares per $100; and the last $600,000 on the basis of four shares for each $100. The conversion privilege extends to and includes Nov. 1, 1943. It is expected that the common stock will be listed in the near future.

The new bonds will be secured by a first mortgage on the company's properties and assets including properties under construction.

The 5% ten-year bonds, due Nov. 1, 1948, will have an annual sinking fund of $200,000, beginning Nov. 1, 1945. Sinking fund payments are adjustable to allow for possible conversion of bonds into stock.

## Minnesota & Ontario Loss Is $2.1 Millions

Net loss of $2.1 millions is reported by the trustees of Minnesota & Ontario Paper Co. for the nine months ended Sept. 30, 1938, after bond interest but before accrued depletion and depreciation. In the period from Jan. 3 to Sept. 12, 1937, a net deficit of $1.1 million was reported after all charges. Operations of National Pole & Treating Co. are not included.

Surplus has been reduced to $2.3 millions from $4.4 millions at the end of 1937.

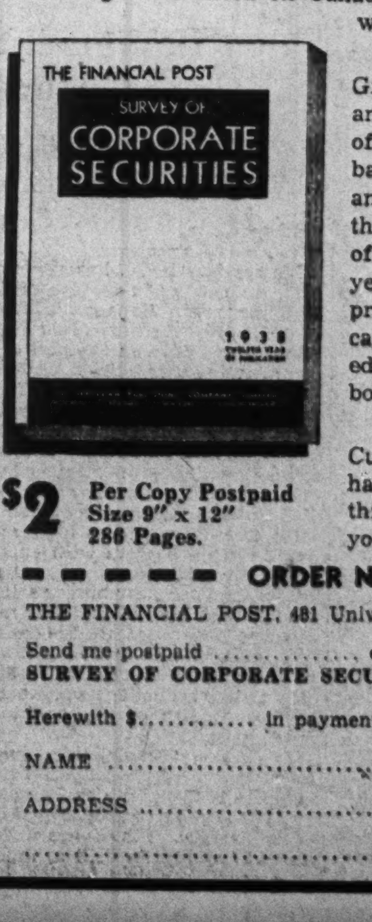
Working capital of $6 millions compares with $5.3 millions at the end of 1937. Current assets of $7 millions include $483,452 of cash and time deposits.

The trustees report that the bondholders' committee is working on reorganization plans and expects to make further progress before the end of 1938.

"Like the British Navy—Cool under Fire"
"EXPORT"
You Can't Buy a Better Cigarette
MACDONALD'S
Moistureproof paper
10 for 10¢ — 25 for 25¢

**CHECK YOUR STOCKS NOW**

This book contains complete data on over 1,500 corporations whose securities are in the hands of the public, including those listed on Canadian exchanges and many which are unlisted.



Gives facts as to businesses and properties . . . names of officers and directors . . . balance sheet and income and surplus account for three years . . . price range of stock for past eight years . . . dividend rate and previous payments . . . capital structure and funded debt . . . funds in which bond interest payable.

Current market comeback has spurred demand for this book. Make sure of your copy.

$2 Per Copy Postpaid Size 9" x 12" 288 Pages.

ORDER NOW

THE FINANCIAL POST, 481 University Avenue, Toronto.

Send me postpaid ........ copies of The Financial Post SURVEY OF CORPORATE SECURITIES, 1938.

Herewith $........ in payment.

NAME ........

ADDRESS ........

945

KING LEOPOLD

# London Calling

### by Atticus

## Sir Samuel Hoare Now Seen as Second to Chamberlain —King Carol's London Visit Raises Balkan Questions

KING CAROL

LONDON.—It is the habit of public men to say on the platform that they look forward to a classless society. Nor are such utterances necessarily insincere. The prospect of a more equal distribution of education, culture, tradition and wealth must always inspire the mind of a man of sensibility.

On the other hand, there is a school of thought which would achieve a one-class society, not by raising the masses, but by pulling down the minorities. These men cannot wait for the process of time or assimilation. And it is only fair to record that they are a powerful group in many sections of the world.

If they are to have their way even in this country and we are to see the country estates of Britain broken up for building estates, and the country house tradition buried for ever in the family vaults, I wonder if something precious and perhaps irreplaceable will not also be interred with their bones.

The life and death of Lord Stanley is worth the consideration of all those who feel that the only social solution is to smash this sorry scheme of things entire and then rebuild it nearer to the heart's desire.

* * *

### *Character and Service*

Perhaps readers of these notes may recall that when I was holidaying in Canada this summer on an island in the Lake of Bays, I went to Toronto in order to introduce Lord Stanley at the inaugural luncheon of the Canadian National Exhibition. When he arrived I was very worried to see that he was limping painfully and resting heavily on a stick. He passed it off lightly as the result of a fall, and the Canadians assumed that it was nothing more than a sprain. To some of us who knew the real condition of his health it came as a foreboding.

In my introductory remarks I paid a somewhat perfunctory but topical tribute to the importance of being Secretary of State for the Dominions. Brushing aside his notes Lord Stanley took that as his theme. "There was no position in the Cabinet which I envied and desired so much," he said. "There is no other position in the Cabinet which I shall want to hold after this one."

I had never heard him speak with such intensity. Perhaps he was recalling that another Lord Stanley, his grandfather, had gone to Canada as Governor-General. Perhaps he was looking to the future and realizing that he would be able to hold no other office after this one. His audience warmed to his sincerity. They recognized instantly his force of character and his devotion to the State. They liked too the way the man who would have become the 18th Earl of Derby spoke of "My leader, Mr. Chamberlain."

It will be remembered that when Lord Stanley returned to this country one of his first visitors was the Prime Minister. I can tell now that wherever the late Secretary of State journeyed in the Dominion he spoke of Mr. Chamberlain with an affection and respect that was wholly moving. "This morning," he told me in Toronto, "I sent a long cable to the P.M. telling him how much Canada admires him. It might strengthen his hand to know what they feel about him over here, don't you think?"

* * *

### *Intense Loyalty*

In another politician one might say that this was either the normal procedure or a display of personal shrewdness. Neither of those motives prompted Edward Stanley. It was simply the intense loyalty of a man whose family has added lustre to the meaning of that word. What is more it was the expression of a kindly heart that sensed the loneliness of the man who reaches the supreme position of governmental responsibility.

To those who have personally known Lord Derby and his two sons there will always remain the memory of two things—their passion for public service and their devotion to each other. Neither the father nor the sons ever shirked the responsibility of their high estate. Whether it was in local government or in parliament or (as in the case of the brothers) at the front they served without any thought or possibility of reward.

To those who would destroy tradition as a bar to progress I would point to the Stanleys and ask if they have not given far more than they have received. Theirs has been a code of honor in private and public life which has added dignity to our generation. When the last post echoed through the aisles and cloisters of the Abbey it marked the passing of a man whose character was strong and whose heart was clean. He had neither the gifts nor the inclination for the spoils of political manoeuvre. He did not strive for effect nor court the limelight. He served the State. If he could have chosen his own epitaph I think it would have been those four words.

* * *

### *When Carol Comes*

No one, to my knowledge, has mentioned the first subject which King Carol of Roumania is almost certain to raise when he comes to London next month. Events move with such rapidity that it seems a long time ago since Cornelius Zelea Codreanu was sentenced in Bucharest to 10 years imprisonment. Actually it was only last May.

M. Codreanu founded the Fascist organization known as the Iron Guard. His policy was at least clear cut. He was anti-Jewish, pro-German and did not rule out violence as a form of political persuasion. It was the Iron Guard which assassinated the Premier M. Duca. When the membership grew to uneasy proportions and it was impossible to prevent them from forming a government, King Carol arrested the leaders and abolished Parliament. I saw the King a fortnight later at his palace and he spoke in terms of the utmost contempt in describing Codreanu. "He is not even a second rater. In fact he is fourth rate."

Codreanu's followers did not think he was fourth rate. His pale face and sunken eyes (he suffers from tuberculosis), his wavy dark hair and his general film star appearance pleased the adolescents, for in Roumania even rebellions must be romantic.

Now King Carol is confronted with the collapse of Czechoslovakia while holding in prison the Henlein of Roumania. Will Herr Hitler turn a blind eye to the plight of his Roumanian lieutenant? Or will he suggest that his release would smooth the path of conciliation between Bucharest and Berlin? This is the one subject of conversation in the political centres of Roumania. Needless to say it also absorbs the thought of Roumania's 800,000 Jews. Whatever happens Carol will not be stampeded into hasty action. He knows that if Codreanu is released he will at once demand the right to form a government. After that it is assumed there would be a purge.

It is too bad that so pleasant and charming a people should have such worries. By temperament they should have nothing more serious than a struggle between Rupert of Hentzau and Black Michael. The palaces in the mountains are made for romance and not for reality. However, Carol is a Hohenzollern and kingship is in his blood. He has ridden many storms and may find some way of outlasting this one.

* * *

### *Another Royal Visitor*

Britain is always delighted when King Leopold of Belgium comes over to London, whether on state affairs or to buy another set of golf clubs. In spite of a life marred by sorrow and tragedy there is that indefinable quality of youth that is especially appealing in a king. They say in Belgium that if their country ever became a republic Leopold would be elected president for life. That is another way of saying that the monarchy in Belgium is stronger than ever.

The Belgian King enjoys many qualities in common with our own King George. Both of them believe in physical fitness. They are serious by nature and purposeful. While King George had first hand experience of the Great War in the Battle of Jutland, King Leopold also visited the trenches with his father when he was little more than a child. In golf there is a distinct disparity. King Leopold has a handicap of 2. King George gets no opportunity to play now, but when he did his handicap was never better than 9. Happily our King has not had to endure the violent shocks which have come to Belgium's ruler. He saw his country overrun and outraged. His father was killed in an accident. His young Queen was killed in a motor accident when he, himself, was at the wheel. Perhaps it was these very sorrows that have given him understanding and have bound his people so closely to him. Naturally every visit to this country sets alight new matrimonial rumors. Some day I hope the rumors will prove true. Grief is a noble thing but melancholy is not a natural garment for youth to wear. Kingship is too heavy a burden to be borne long without a Queen to share it.

* * *

### *Sir Samuel Hoare*

There is nothing more interesting to the student of affairs than to watch the shifting values of political personalities at Westminster. There is Mr. Malcolm MacDonald, for instance, who went to the Colonial Office with a high reputation and almost immediately began to lose it with what seemed an uncertain handling of the Palestine problem. Now that the Coldstream Guards have marched into Jerusalem Mr. MacDonald's reputation will probably recover. Perhaps the young Colonial Secretary wanted the troops before and could not have them. That does not matter to the public. They judge a man by the visible, and not invisible, results of his administration.

Mr. Eden is another who seems to have slipped back when everyone expected him to move forward. Many of his friends believe he was wrong not to have supported Mr. Chamberlain wholeheartedly over the Munich settlement and the "no more war" declaration of Herr Hitler and the Prime Minister.

All quotations, however, are not falling. Sir Samuel Hoare, after being a neglected security for a long time, is now definitely on the upgrade. There is, of course, the feeling that perhaps the Hoare-Laval Pact would have been a good thing after all. That is undoubtedly influencing the present tendency of public opinion. There is also the feeling that Sir Samuel is a realist and not a mystic, and just now government by symbol and incantation is at a discount. By choosing Clacton-on-Sea, a National Liberal stronghold, for his important speech recently he showed that he regards himself as more than one of the Conservative leaders. In fact, close observers are saying that the victim of Abyssinia is now beginning to occupy the same position in relation to Mr. Chamberlain as Mr. Chamberlain did to Mr. Baldwin.

There is no question that his speech was well timed but then Sir Samuel has always been a rare judge of rhythm and tempo whether on the thick ice of Switzerland or the thin ice of politics. Only when he skated with Mr. Laval did he go too impetuously into a twirl, or whatever the correct term may be.

Not many political reputations have been enhanced in the last month. The Prime Minister, of course, has risen to such heights that his personal position is almost one of Splendid Isolation. Sir Samuel Hoare, however, is showing every willingness to keep the Premier company. Of course Sir John Simon at No. 11 is the nearest neighbor to the Premier, but in politics as in marriage the choice does not always fall on the young person next door.

Copyright, 1938, The Financial Post and The Sunday Times, London.

# *T. C. A. Preparing to Carry Air Mail and Passengers*

From Our Own Correspondent

MONTREAL. — Preparations for inauguration in the near future of air-mail and passenger services by Trans-Canada Air Lines, are being directed from headquarters here.

Imminence of the long awaited services was revealed in recent addresses in Toronto by Philip G. Johnson, T.C.A. vice-president, and Hon. C. D. Howe, minister of transport. Expectation of Montreal-Vancouver air mail by Feb. 1 or earlier was voiced by Mr. Johnson, while Mr. Howe anticipated a start by Jan. 1. Winnipeg-Vancouver passenger service "within a few weeks," and between Montreal and Vancouver by next spring, was predicted by Mr. Howe.

Air express service connecting Montreal, Toronto, Winnipeg, Lethbridge, Regina and Vancouver is now being operated by T.C.A.

At the present time daylight flights are being made between Montreal, Toronto and Winnipeg. Daylight service between Winnipeg and Vancouver was started in March and on April 1 this was changed to night service. Night service between Montreal, Toronto and Winnipeg will start within three months. This means planes will leave Montreal at about nine o'clock at night and Toronto at 10.30. As a result mail will be delivered in Vancouver at noon the next day.

In speaking before the Empire Club of Toronto, Mr. Johnson stated Trans-Canada Air Lines at present has about 300 full time employees, including mechanics, pilots and office staff. There are 24 radio ranges in operation, with four more under construction. There are 18 major airports and 14 intermediate fields, apart from emergency landing fields.

Mr. Johnson stated "that in Canada a progressive, long-distance view has been taken in the development work." As a result the airports, in the majority of cases and particularly in the West, occupy a preferred position for future developments. This is not the case in the United States, where many terminal airports will have to be relocated entirely as there is not sufficient room for future expansion.

In Canada airports have been planned to meet requirements of big airships. Hence, there will be no big capital loss entailed in the expansion necessary to meet aviation developments.

In paying tribute to the Meteorological service, he stated: "We do not fear any weather or terrain to be encountered. In fact, our route is easier to fly than any in the United States. The cold weather makes flying less difficult, there being less moisture in the air, thus eliminating icing conditions. It is true we can expect certain icing conditions before winter, during a sudden thaw or break-up, but such conditions are no greater than those which prevail elsewhere."

# Tamblyn Quarter Profits Improve

### Total Sales and Profits for Nine Months Ended Sept. 30 Down

While sales of G. Tamblyn Ltd. decreased in the three months period ended Sept. 30 to $846,449 from $855,101 in a similar period in 1937, profit increased to $17,322 from $16,873.

For the nine months ended Sept. 30, total sales dropped to $2.5 from $2.6, and profits to $60,228 from $77,143.

The last quarter of the year is an important period of the year, and in 1937, 45% of the year's profits were earned in this period.

Improved sales in September and certain adjustments in the expense account are held responsible for improvement in the quarter.

| | 1938<br>$ | 1937<br>$ | Incr.<br>% |
|---|---|---|---|
| **Three Months Ended Sept. 30** | | | |
| Sales ........ | 846,449 | 855,101 | *1.01 |
| Profits ...... | 17,322 | 16,873 | 2.66 |
| **Nine Months Ended Sept. 30** | | | |
| Sales ......... | 2,537,386 | 2,624,809 | *3.33 |
| Profits ...... | 60,228 | 77,143 | *21.93 |

*Decrease.

# Canada Malting Sales are Down

### Domestic Market Makes Good Showing But Exports Lower

Canada Malting Company sales have been somewhat reduced so far in 1938. Domestic sales have held up comparatively well, but a considerable reduction in export sales has been experienced. For the past few years the company has been suggesting that its formerly large export sales to the United States could hardly be expected to continue indefinitely. Apparently this forecast has been correct as that market is not proving as profitable to the company as in the early years following repeal of prohibition.

The company is making strenuous efforts to obtain other export market and has been successful in South American countries, Cuba and Great Britain.

In 1937 Canada Malting paid $2.95 a share to common stockholders. Regular dividends of $1.50 a share are paid and in the middle of last December $1.50. The same bonus was paid in 1936 and 1935. It is probable that earnings for 1938 will not quite reach the level of $2.95 a share attained in 1937 but it is expected that they will be sufficient to cover dividend payments with a fair margin.

# Quebec Starts Power Project

### Agreement With Noranda Clears Way for Plant in Temiskaming

From Our Own Correspondent

MONTREAL. — Premier Maurice Duplessis announces that the National Electricity Syndicate will begin immediate construction of a power plant in the Temiskaming district and that an agreement has been signed between the province and Noranda Mines. The power site was held by the Noranda Power Co., subsidiary of the mining organization. An agreement was entered into between the Government and Noranda Power Co. whereby the power site was taken over.

It is the intention of the Electricity Syndicate to develop 26,000 h.p., of which Noranda Mines will purchase from 16,000 to 20,000 h.p. This, says the Premier, will enable the Government to furnish power to the mining industry in that part of the province. The new power will be developed at 25 cycles to start with, because of the motors now employed, but later will be developed into 60 cycles.

The actual entry of the Government into the power field is regarded as a blow to future expansion of the Northern Quebec Power Co., subsidiary of Canada Northern Power. This company has been only large power operator in the field and has supplied Noranda Mines, as well as the town, with its power requirements. The original contract between Northern Quebec Power Co. and Noranda Mines expired not long ago and at present power is being supplied on a temporary basis.

It is understood Noranda Mines has the largest power contract which Northern Quebec Power Co. has on its books. The switching by Noranda of its power supply over to the Government-owned plant will not be an absolute loss to Northern Quebec Power Co., as for the last year or so it has been purchasing power in bulk from Ontario Hydro and the deliveries from that source will automatically be adjusted to meet the situation.

### SHAW NAMED ASSISTANT

MONTREAL.—G. W. V. Shaw has been appointed assistant secretary of the Canadian National Railways Co. and subsidiary and allied companies. Mr. Shaw has been with the C.N.R. and predecessor companies since 1916, relinquishing the post of chief clerk to the chairman and president in order to accept the new appointment.

# Fleet Aircraft May Expand

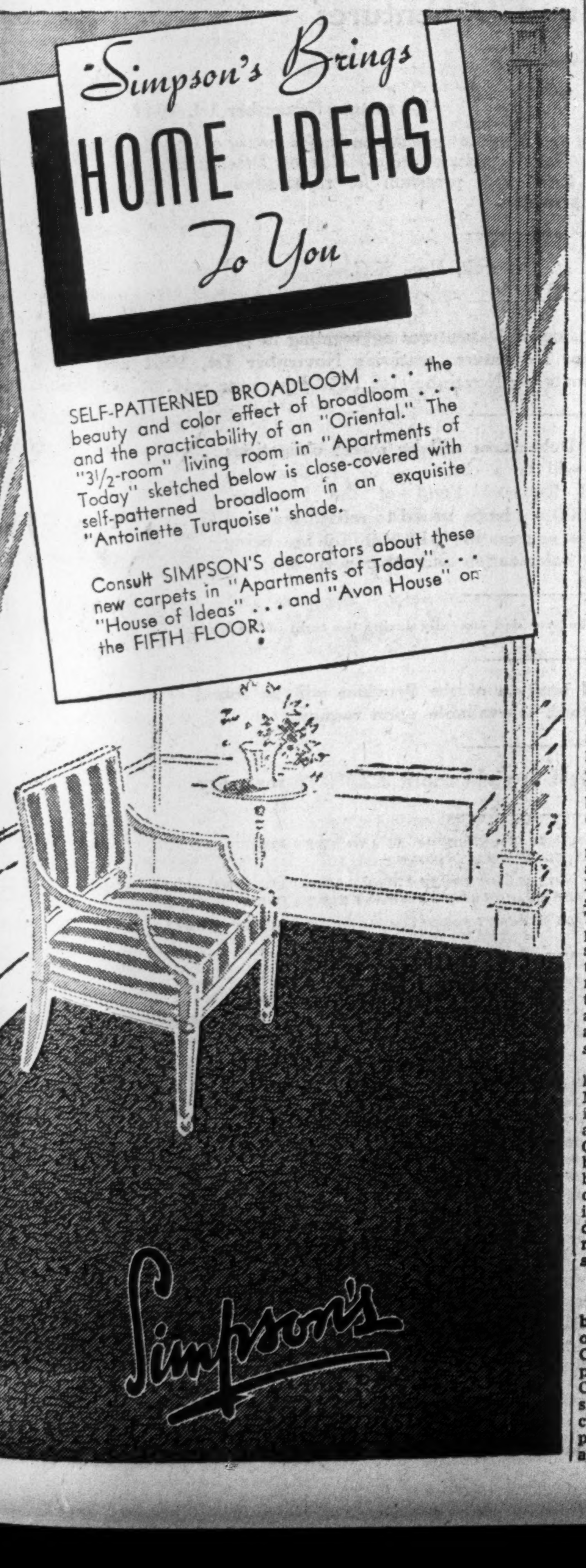
### Additional Financing Is Probable if Factory Facilities Enlarged

From Our Own Correspondent

MONTREAL. — Conditional upon securing aircraft orders from the British Government, Fleet Aircraft Ltd. is said to be planning expansion of its factory at Fort Erie, Ont.

If expansion of plant facilities is undertaken the company will probably seek additional finances through sale of common shares. At present the company has outstanding 90,000 shares of an authorized capital of 100,000 shares, no par value. As only 10,000 shares remain in the treasury it is likely the company will increase its capitalization,

Fleet Aircraft is one of the companies participating in setting up a central company to manufacture bombing machines for the British Government in Canada. As such, it will receive a share of the contracts



Simpson's Brings HOME IDEAS To You

SELF-PATTERNED BROADLOOM . . . the beauty and color effect of broadloom . . . and the practicability of an "Oriental." The "3½-room" living room in "Apartments of Today" sketched below is close-covered with self-patterned broadloom in an exquisite "Antoinette Turquoise" shade.

Consult SIMPSON'S decorators about these new carpets in "Apartments of Today" . . . "House of Ideas" . . . and "Avon House" on the FIFTH FLOOR.

Simpson's

Silent

L C SMITH

Super-speed with

A sensational new typewriter with micro touch selector and many other new features

Branches and dealers throughout Canada

L C SMITH & CORONA
TYPEWRITERS of Canada Ltd.,
37 Front St. E., Toronto.

TAXES

Will they cut into your estate?

TAXES involved in the settlement of an estate must be paid promptly, in cash. If the money is not available, assets must be sold to raise the necessary funds. Such forced sales often result in serious losses.

It may be advisable for you to review your estate plans *now*, to make sure that taxes are adequately provided for. If changes are contemplated, it is advisable to consult your lawyer. We will gladly assist you with any business, financial or investment problems that may be involved, and explain how our trust services can aid in the economical settlement of your affairs.

Crown Trust Company

*Executors :: Trustees :: Financial Agents*

WILLIAM I. GEAR, *President*
JOHN JENKINS, *Vice-President* IRVING P. REXFORD, *Gen. Mgr.*
393 ST. JAMES STREET WEST - MONTREAL
80 KING STREET WEST - - - TORONTO

1832 1938

*Chance . . .*

The position which this Bank holds to-day as an integral part of the fabric of Canadian life is not a chance happening. It has been acquired by meeting the needs of the Canadian people in every phase of banking, down through the years — since 1832 — always along the lines of sound practice.

*World-wide facilities in every department of banking*

The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

3802B

*Studebaker Announces for 1939*

WORLD'S SMARTEST MOTOR CARS

Acclaimed by Europe's Famed Designers
Approved by Canada's Most Critical Motorists

DE LUXE MODELS AT STANDARD-MODEL PRICES

THE magnificent new Studebaker Commanders and Presidents for 1939 are so far in front they make all other cars look dated!

See for yourself why these great new Studebakers have been acclaimed by Europe's best design authorities as a triumph of keen, vigorous lines, deep-bedded comfort, a hundred and one points of luxury finish! See why Canada's most critical motorists have named the 1939 Studebaker "the car of the year"! And imagine it—cars of Studebaker prestige and performance—of sensational gas and oil economy—at prices that challenge the lowest!

Try out the new Studebaker advancements—the new steering post gear shifter that's standard equipment—the new 10-point "Climatizer"—the new, simplified automatic gas-saving overdrive—optional at small cost. Low down payment—easy C. A. C. terms.

RAYMOND LOEWY
*who styled the new Studebakers*
is the Paris-born American who also styled the new Broadway Limited and who is setting a pace for the designers of the world in his creations for New York's World's Fair.

*No other car* OFFERS ALL THESE ADVANCEMENTS

CLIMATIZER*
—a revolutionary new fresh air heating, filtering and ventilating system. Supplies both front and rear compartments equally with clean, filtered air. No drafts. No cold feet. No dirt, dust, rain, snow. Prevents windows frosting or fogging.

STEERING POST GEAR SHIFTER
Provides a clear front compartment with plenty of seat-room and leg-room for three. Shifts like old-type floor lever, but more easily.

INDEPENDENT PLANAR SUSPENSION
Simplest, strongest, safest form of independent springing—responsible for Studebaker's famous Miracle Ride. Prevents diving and side-slipping on turns.

ADVANCED GAS-SAVING OVERDRIVE*
At touring speeds, reduces engine revolutions 30%—saves gas and oil—prolongs engine life. Driver can change to direct drive at will.

HILL HOLDER
No rolling back when you stop on an upgrade—no bumping into cars behind. A great contribution to safety and driving ease.

Many Other Exclusive Features:
World's strongest steel body. More usable trunk space than any other car. Twin tail lights, windshield wipers; sun visors. Non-slam rotary door latches. Variable ratio steering gear.

*Available on all models at slight added cost

The Studebaker Corporation of Canada, Ltd.
Walkerville, Ontario

*Investment Trends*

# Marking Time Period Lasts Another Week

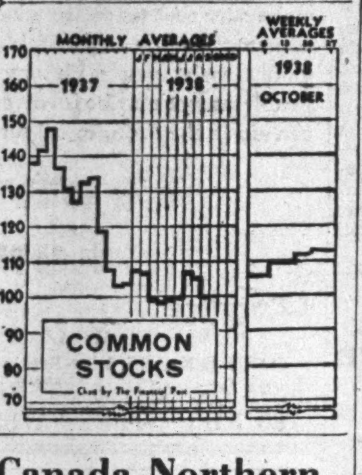
## Effect of War Crisis Seen in Greater Attention to Canadian Stocks in Britain and Europe Where Many Issues Mentioned

October developed into a period of up-and-down wanderings for stock prices after the first upsurge when war-threat tension was released. The range of movement was not wide, at least in the last three weeks.

This period of short up-and-down swings might conceivably continue for awhile yet, allowing a certain amount of consolidation of the gains of the last few days of September and the first week of October. There are apparently some signs of speculative interest becoming widespread, in that more attention is being paid to low-priced issues and less to those of higher investment rating. Ordinarily these are taken as signs of a weakening of the strength of the advance.

It might be worth while remembering that there has been over a month of generally rising stock markets without any reaction to speak of. Just when the market will break out of the narrow range of the past three weeks cannot be said, but perhaps a testing of the strength of the support available at somewhat lower levels could take place. This would not necessarily provide anything worse than more advantageous levels from which to make purchases of stocks.

* * *



### *Canadians Attract Attention*

There are signs here and there that investors in countries close to the seat of political disturbances in Europe are turning more attentive eyes toward Canadian stocks.

For example, The Stock Exchange Gazette, London, says that one of the most interesting aspects of the post-crisis markets has been the revival of interest in Canadian securities. Enquiries and actual business have grown with those houses particularly interested in Canadian securities. Favorable comparison being made by level of Canadian business, comparative immunity in the event of a major conflict and the coming Royal visit to Canada are cited as reasons. Purchase of leading Canadian equities is said to be attractive and mention is made of investment trusts for the small investor.

Two Canadian stocks are included in "a long-term investment list" published in the October 22 issue of the Investors' Chronicle, London. International Nickel is included in the list as a war hedge because of its products and also its geographical situation and the excellent market in its shares. Canadian Pacific common is also included because the shares "deserve their place as furnishing a stake in the prosperity of Canada—the country which is coming more and more to be regarded as the country of the future."

* * *

### *Holland Also Interested*

On the Amsterdam stock exchange a plan of trading in "fraction" units of selected Canadian shares appears to be growing, according to reports. Partaking of the nature of the investment trust principle, these "fraction" units include groups of preferreds, and mines. The amount involved is not very great as yet but holds promise of further growth.

Stocks selected for Amsterdam trading include the following preferreds:

Canada Northern Power Corp; Canadian Canners; Hiram Walker-Gooderham & Worts; The Robert Simpson Co.; and Southern Canada Power; Beatty Bros.; Canadian Celanese; Canadian Oil Companies; Dominion Glass; Dominion Textile Co.; Gatineau Power; Goodyear Tire and Rubber Co. of Canada; Imperial Tobacco Co. of Canada; International Bronze Powders; International Milling Co.; McColl Frontenac Oil; Montreal Cottons; National Breweries; Ogilvie Flour Mills; Saguenay Power Co.

The mines list includes the following: Dome Mines, Hollinger, Lake Shore, McIntyre-Porcupine, Noranda and Wright-Hargreaves.

* * *

### *Bank Sees Encouragement*

Most encouraging recent developments in manufacturing, according to the Bank of Nova Scotia, have been the improvement in the statistical position of the newsprint industry, the early commencement of the new season in the automobile plants and a moderate upturn in the operations of textile mills. On the other hand the lumber industry remains depressed, more so in eastern and central Canada than on the Pacific coast, and the cut this winter is likely to be much reduced.

Recent rise in the prices of base metals has improved the metal mining position, which has continued active, but non-metallic minerals have been curtailed, particularly coal and asbestos. In the construction trade, residential and commercial building has been well maintained, but industrial and engineering construction has been at much lower levels than a year ago.

# Canada Northern Net Profit Lower

## Higher Expenses Offset Gain in Gross — Operations Expand

MONTREAL. — Canada Northern Power Corp.'s gross earnings for the nine months ended September 30, totalled $3,805,115 and net earnings $2,110,039. The gross showed an increase of $128,427 over the like period of 1937, but owing to a sharp increase in operating expenses, net income was $34,889 less than a year ago.

Power output last month amounted to 57,457,527 kw.h., an increase of 2,661,462 kw.h. over the same month a year ago. Cumulative production this year totalled 517,865,066 kw.h., as against 479,493,300 kw.h. at the end of December, 1937.

During September 403 new customers were added to the company's system and at the end of the month the company was serving 21,564 customers. This contrasts with 18,877 customers at the end of the same month last year.

## Investment Notes

**Postal Telegraph**—It is expected that an early confirmation of the plan of reoganization sponsored by the Lehman and Steward Bondholders Committee will be forthcoming. Application of the wage and hour law to the postal employees is a disquieting factor and is being watched closely. The company indicates that operating costs would be boosted sharply if it were enforced to comply with the Act. Threats of strikes becloud the outlook for operations if its provisions are refused.

* * *

**Power Corp.**—The action of McColl-Frontenac in passing its dividend may affect the income of this company. At one time Power Corp. had substantial holdings in McColl-Frontenac and while no recent particulars have been published on its holdings, it is understood that Power Corp. still has a large block of McColl common.

* * *

**McColl-Frontenac**—Quite a number of shareholders of McColl-Frontenac are going to be disappointed with the action of the directors in passing the dividend on the common stock. The change in control, the refunding of the old 6% bonds on a lower coupon basis, and the reduction in executive charges led shareholders to expect great things. The short explanation by the board as to the reason for its action was not conducive to an understanding of the company's problems.

* * *

**Newsprint Stocks** — "Granted no reduction in price and provided the expectations for a continuation in the uptrend in general business are realized, newsprint manufacturers should be able to report for 1939 the best earnings results in many years,' states R. E. Moat & Co., Montreal investment firm.

* * *

**Massey-Harris** — Reductions just announced on its line of farm equipment by the company are believed only partly justified by actual reductions in raw material and other costs. The company is currently in its quiet season for sales in Canada, but if latest prices hold next season and costs remain in the present scale, the company's profit margin may be threatened on some lines.

* * *

**Laura Secord** — At the present time consideration is being given to entering the British market jointly with Fanny Farmer Candy Shops. There is a large field for these companies in Britain and with the success enjoyed by both in their present fields it is anticipated that their products will be well received in Europe. It can also be expected that the Canadian market will be carefully surveyed with a view to opening of new stores in the Dominion.

# Sir Charles Gordon Joins West Kootenay Power Bd.

From Our Own Correspondent

MONTREAL.—Sir Charles Gordon, president of the Bank of Montreal, has been elected a director of West Kootenay Power and Light Co. to fill the vacancy created by the recent death of Lord Shaughnessy.

**Alberta Oils**

New wells are being drilled, new structures explored in Alberta's great oil fields. Send for issue No. 4 of our publication "Investments" which contains a concise, up-to-date, informative review of past and current activity in Alberta's new oil industry.

**NESBITT, THOMSON & COMPANY, LIMITED**
355 St. James Street West
Montreal, P.Q.
Branches in principal cities of Canada
S5A

# McColl Passes Com. Dividend

## Directors Give Reason as Drop in Price and Unsettlement

From Our Own Correspondent

MONTREAL. — McColl Frontenac Oil Co. has deferred the quarterly dividend on the company's no par value common stock.

Following a meeting of the board a statement was issued by president J. A. Wales stating: "In view of the recent reduction in gasoline prices and the uncertain conditions prevailing in the oil industry, the directors felt that it was a prudent policy to conserve the working capital of the company by omitting the common stock dividend for the time being."

This statement was not enlarged upon, no particulars being given as to trend of current earnings, sales, etc.

### Change in Trend

As recently as a few weeks ago it was stated that volume of sales for the seven months ended Aug. 31 were about the same as in 1937. However, no particulars were available as to earnings up to that time, though it was anticipated that with the saving in interest charges due to the refunding of the bonds and a reduction of about $70,000 in executive salaries and directors' fees, profits would be reasonably maintained.

At the present time McColl Frontenac has outstanding 766,783 shares of common stock. During the fiscal years 1932 to 1934, the company paid annual dividends of 60 cents a share. The rate was raised to 75 cents in 1935 and to 80 cents in 1936 and 1937. In the year ended Jan. 31, 1938, the rate was reduced from 20 cents to 10 cents a share quarterly. The latter rate was well covered in the year ended Jan. 31, 1938, when the company reported earnings of $1.03 a share on the common.

Opinion in investment circles seems to be that perhaps the official explanation does not tell the whole story. It is pointed out that the company was able to maintain a common dividend throughout the depressed period of the early 1930's.

There is a tendency among unofficial circles to look to the company's Trinidad operations for at least a portion of the difficulty. It is perhaps significant that heavy bank loans that had grown to $3.4 millions at Jan. 31, 1938, were incurred in 1936 and 1937, a period which closely coincides with the beginning of extensive operations in Trinidad. Sale of the $12.5 millions of new bonds in July, however, must have improved the company's current position.

In 1937, average daily production from Trinidad holdings averaged 41,643 barrels monthly, but in Sept., 1938, it was said that the monthly average was about 27,000 barrels. The oil obtained, however, has been very heavy and not suitable for use in the company's refineries. What revenue has been obtained from the sale of crude has been used to offset part of development expenses.

The new management apparently is going to mean new policies for McColl-Frontenac. It is understood, however, that earnings have been considerably lower so far this year which was probably a factor in the latest decision.

# Magee Elected Director Of Montreal Telegraph Co.

MONTREAL.—General Allan A. Magee, president of Barclays Bank (Canada), has been elected a director of the Montreal Telegraph Co. to fill the vacancy caused by the death of Hon. Thomas Ahearn.

# Market Opinions

Disposition of stock market commentators to suggest watching for more favorable buying opportunities continues this week.

**Barron's (The Trader), New York.**—"Arguing from a negative standpoint, it is impossible to demonstrate the imminence of a bear market. A major bear market implies the necessity of liquidating business or securities. Since there is no important speculative or commercial debt structure existent and since inventories have demonstrably been brought down to a healthy basis, there is nothing that calls for liquidation. The urgent problem of what to do with cash persists. . . .

"What all this spending can do in the event of the cessation of the ruthless struggle for sales volume and the restoration of reasonable profit margins for business—which is still far from normal—only the next period of seasonal revival in the spring can demonstrate. Technical factors may, in the meantime, bring on a soberer speculative atmosphere, tax operations may create certain cross currents, but it will be hard to create as radical an unsettlement as that of a month ago."

* * *

**Brookmire Bulletins, New York.**—"Encouraging business developments continue to dominate the news and to reaffirm the basic character of the economic upturn. Rather than pushing ahead farther, however, the stock market has apparently been engaged in recent consolidation of gains. Any new cash which may have been accumulated should be used during weak spots in the near-by future, to round out and balance the invested position of portfolios in stocks having a notable recovery prospect."

* * *

**The Financial World, New York.**—"Among the leaders of the current movement have been the steels, automobile and accessory companies, coppers, electrical equipment, building supplies and machinery companies. Their ability to out-distance the averages reflects the indications that their earnings should expand faster and much farther percentage wise than those of the industrial structure as a whole, and it is in groups such as those that the investor will continue to find the greatest potentialities for capital appreciation.

"No change in longer term investment policy is indicated. Any further period of backing and filling would prove poor reason for abandoning a constructive attitude toward the ultimate course of shares prices as long as fundamentals move in their present direction, and a fully invested position continues to be warranted."

* * *

**Business Week, New York.**—"Somewhat quieter markets until after election day; then keep your eye on holiday trade. That's what they're saying in financial circles, and they are practising their own preachings. For example, large stock traders have been taking profits and moving to the sidelines, and the big bond houses aren't scheduling many important new offerings for the immediate future.

"Under such circumstances, it isn't at all surprising that securities prices have tended to back off from the new 1938 highs established at the first to this week. Nor is it surprising that volume of trading has tended to contract substantially"

* * *

**The Investors' Chronicle, London (Oct. 22)**—"There are a fair number of unfavorable factors in Wall Street at the present moment—I can instance the very high price-earnings ratio of most stocks, the possibilities of labor disputes not so very far ahead, and the uncertain price structures in two major industries, the oil and the steel trades. But despite these factors it is now generally anticipated, and I think with complete justification, that American trade is at or near the beginning of a substantial upswing. It follows, therefore, that the market can ignore—as London did in 1934-35-36—worries which without this trade background would be overwhelming, and the prospect for Wall Street should be decidedly good.

If this reading of the American situation is correct, the outlook for London markets is reasonably cheerful, although it must be admitted that the trade background as yet provides little justification for expecting any sustained and general increase in security prices."

* * *

**The Annalist, New York.**—"The technical position of the stock market appears to be reasonably strong, despite the moderate degree of irregularity that has developed during the past fortnight. The advance that set in at the close of September has been an unusually broad one. Nearly all important groups have joined in the upward movement and in most cases high records of last summer have been exceeded. The ability of stocks of companies operating in the heavy industries and of other leading issues to break through the upper limit of the broad July-September trading area must be regarded as a favorable symptom.

"It should be noted, however, that the current advance has now been in progress for about a month and that during the past ten days there have been some signs that the momentum of the move was diminishing. In such a situation it is obvious that a technical reaction could develop at any time, although as yet there is nothing in the behavior of the market itself to indicate that such a reaction, when it occurs, will be more than a normal readjustment following a sustained advance."

# Maritime Tel. Reports Toll Traffic Easier

From Our Own Correspondent

MONTREAL. — Volume of completed toll traffic handled by the Maritime Telegraph and Telephone Co. during September did not come up to the total for the like month last year, although it exceeded the volume in August. During September there were 145,527 completed calls. This was equivalent to 92% of all calls made.

There was a net gain of 33 stations in the number of telephones installed in September, the total at the end of the month being 41,934, as against 41,901 at the close of the previous month. The Island Telephone Co., a subsidiary operating on Prince Edward Island, reported 4,270 stations in operation at the end of September, a net loss of four during the month.

# Dom. Foundry Record Seen

(Continued from page 1)

solidation following on a period of rapid growth and expansion. But there has been considerable building.

Latest developments, and ones that are expected to result in substantial savings, are arrangements for handling of fuel oil for use in the company's furnaces and a water pumping plant.

The company has been using a light fuel oil in its furnaces for some time but is now adapting its equipment for the use of heavy bunker fuel oil. A pipe line, about a mile in length, has been laid to the waterfront and a three million gallon storage tank erected. The oil is brought in by boat from Sarnia and handled through the company's new pipe line. The storage capacity is calculated sufficient to supply the furnaces during the winter when navigation is closed. This tank will be filled before winter.

Although the use of the heavier grade of oil will involve considerable capital expenditure, this, it is expected, will be returned in a comparatively short time through the savings thus made possible.

### Savings in Water Supply

Installing of the company's own water pumping system with a pipe line to the Hamilton Bay will also mean good savings to Dominion Foundries & Steel. Up to now the company has been buying its water for use around the plant, principally for cooling purposes, from the city and estimates show that the capital investment will be returned in a short time.

Work has also started in doubling the size of the boiler installation now in use. A new service building has been erected for use of employees and handling equipment capacity doubled for the steel making furnaces. A further improvement just completed is the service tunnel running through the plant and carrying piping and wiring installations from one part of the plant to the other.

This work has all been done with the view of reducing costs and to give the company an opportunity to consolidate the expansion of the past two or three years.

Dominion Foundries & Steel is continuing to add to its line of products as opportunity offers. Latest addition is "blue plate." Chief use of this is in making stove pipes and an important volume of business is being obtained.

Expansion into the lighter types of steel products seems to have been responsible for much of Dominion Foundries' growth in the past few years. It has proven a stabilizing factor and supplements the foundry and plate mill.

*New Issue*

**Province of Quebec**
**3% Sinking Fund Debentures**
Due November 1st, 1947
(Non-callable)

The Province of Quebec is of great importance in the economic activities of the Dominion. Located within the Province are extensive natural resources and many of Canada's leading industrial enterprises.

Quebec has long held a high credit position, and has, with one exception, a substantially lower per capita debt than any Canadian Province.

**Price: 98.06 and interest, yielding 3.25%**

Circular including financial statement forwarded upon request.

**Wood, Gundy & Company**
**Limited**
Toronto Winnipeg
Montreal Ottawa Vancouver
London, Eng. Hamilton London, Ont.

# Wabasso Cotton Co. Capital Change Complete

From Our Own Correspondent

MONTREAL. — Wabasso Cotton Co.'s plan to write down its share capital from $4,192,240 to $2 millions, as approved by the shareholders, has now been completed by the granting of supplementary letters patent.

The writedown of the capital value of the stock does not affect the equity or the earnings of the stock. Only intangibles such as bond discount, etc., were written off the balance sheet.

# Humberstone Reaches Agreement With Labor

Settlement of labor differences between employees and the Humberstone Shoe Co. has been reached, through the mediation of the Ontario Labor Board.

There is to be no union discrimination, though the agreement is reported to be between representatives of the company and employees. The basic rate of pay is maintained.

**A SAVINGS PLAN**

to fit the individual

The Plan of Savings afforded by CHAMPION SAVINGS CERTIFICATES is so flexible that it can be made to fit any individual irrespective of his or her earnings. Champion Savings Certificates now in force exceed $10,000,000. Send today for descriptive circular (C-1) on this time-tested Plan of saving systematically.

**Champion Savings Corporation**

201 NOTRE DAME STREET WEST, MONTREAL
Halifax Charlottetown Regina Saskatoon Calgary Lethbridge Edmonton Vancouver Victoria

## Significant Investors' Index Numbers

1926 = 100

| No. of Securities | Mach. and equip. 8 | Pulp and paper 7 | Milling 3 | Oils 4 | Textiles and clothing 10 | Food and allied prod. 12 | Beverages 7 | Bldg. mater. 15 | Power and traction 15 | Banks 8 | Total utilities 19 | Total co's. 95 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929-37:* | | | | | | | | | | | | |
| High ..... | 432.5 | 113.4 | 273.4 | 423.5 | 113.5 | 197.8 | 204.6 | 281.1 | 197.6 | 131.7 | 166.0 | 198.3 |
| Low ...... | 39.2 | 3.0 | 37.7 | 87.7 | 30.8 | 78.8 | 33.8 | 44.3 | 47.1 | 63.1 | 36.9 | 43.3 |
| 1938: | | | | | | | | | | | | |
| Jan. ..... | 109.6 | 18.9 | 87.2 | 194.9 | 64.3 | 158.7 | 116.1 | 138.4 | 64.4 | 84.3 | 48.7 | 107.7 |
| Feb. ..... | 109.3 | 17.5 | 88.9 | 195.2 | 64.8 | 159.9 | 115.0 | 131.4 | 63.1 | 81.8 | 46.8 | 107.1 |
| Mar. ..... | 100.7 | 14.6 | 76.5 | 181.2 | 60.3 | 152.0 | 101.3 | 116.0 | 58.2 | 80.5 | 43.1 | 99.2 |
| Apr. ..... | 103.2 | 15.4 | 75.6 | 172.0 | 55.0 | 151.5 | 106.0 | 119.4 | 59.7 | 80.4 | 43.7 | 97.9 |
| May ..... | 107.2 | 15.7 | 85.8 | 177.2 | 54.5 | 153.6 | 107.5 | 122.5 | 61.0 | 80.9 | 44.5 | 99.7 |
| June ..... | 111.8 | 18.6 | 84.8 | 170.0 | 54.1 | 156.2 | 109.2 | 129.8 | 61.2 | 81.0 | 45.1 | 100.0 |
| July ..... | 129.2 | 23.1 | 88.6 | 177.6 | 59.4 | 167.9 | 120.5 | 142.6 | 66.4 | 84.9 | 48.6 | 106.9 |
| Aug. ..... | 130.1 | 21.0 | 88.3 | 176.7 | 59.0 | 168.5 | 122.1 | 139.3 | 64.3 | 85.0 | 47.1 | 105.2 |
| Sept. ..... | 120.6 | 17.5 | 78.4 | 165.0 | 54.3 | 162.2 | 108.8 | 121.2 | 57.8 | 83.4 | 42.7 | 98.6 |
| Weekly Figures, 1938: | | | | | | | | | | | | |
| Oct. 6 ... | 133.2 | 21.9 | 83.3 | 177.5 | 56.8 | 168.4 | 120.3 | 136.3 | 63.1 | 84.5 | 46.4 | 105.9 |
| Oct. 13 .. | 139.8 | 23.4 | 86.8 | 184.4 | 56.6 | 170.0 | 125.6 | 141.5 | 65.0 | 86.0 | 47.6 | 110.0 |
| Oct. 20 .. | 142.5 | 22.7 | 86.1 | 184.2 | 57.6 | 169.1 | 133.5 | 139.2 | 64.3 | 86.2 | 47.1 | 110.8 |
| Oct. 27 ... | 141.6 | 23.1 | 86.6 | 183.0 | 59.1 | 171.1 | 138.2 | 140.2 | 63.6 | 86.2 | 46.8 | 111.3 |

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 10 B.M. | 15 W.O. |
|---|---|---|---|---|
| Nov. 1 ...... | 126.27 | 121.46 | 101.45 | 31.06 |
| Oct. 31 ...... | 126.33 | 120.85 | 101.57 | 31.42 |
| Oct. 29 ...... | 126.15 | 121.47 | 101.46 | 30.92 |
| Oct. 28 ...... | 126.29 | 121.89 | 101.42 | 30.74 |
| Oct. 27 ...... | 127.58 | 122.83 | 102.41 | 30.86 |
| Oct. 26 ...... | 126.93 | 122.76 | 102.42 | 31.40 |
| Month ago .. | 119.87 | 121.43 | 92.37 | 31.21 |
| Year ago ... | 129.20 | 114.80 | 73.78 | 33.97 |
| High, 1938 .. | 127.58 | 127.19 | 103.95 | 50.85 |
| Low, 1938 ... | 97.66 | 101.86 | 64.47 | 25.77 |

**Montreal Stock Exchange Averages**

| | 10 Util. | 20 Indus. | 30 Comb'd | 15 Golds |
|---|---|---|---|---|
| Nov. 1 ...... | 67.9 | 85.3 | 79.5 | 124.90 |
| Oct. 31 ...... | 67.4 | 85.1 | 79.2 | 124.01 |
| Oct 29 ...... | 68.1 | 84.9 | 79.3 | 123.86 |
| Oct. 28 ...... | 68.2 | 85.6 | 79.8 | 124.53 |
| Oct. 27 ...... | 68.4 | 86.0 | 80.1 | 125.45 |
| Oct 26 ...... | 68.7 | 85.5 | 79.9 | 124.99 |
| Month ago .. | 65.5 | 80.3 | 75.4 | 124.93 |
| Year ago .... | 71.1 | 78.7 | 76.2 | 112.20 |
| High, 1938 ... | 69.3 | 88.2 | 81.4 | 130.77 |
| Low, 1938 .... | 57.6 | 61.1 | 60.5 | 103.06 |

*New Issue*

**Province of Quebec**
3% Debentures
(non callable)

to be dated 1st Nov., 1938 — to mature 1st Nov., 1947

To be used to refund maturing loans, road construction and general purposes.

**Price: 98.06**
to yield about 3.25% to maturity.

A highly recommended investment in the security and stability of Quebec province. With one single exception Quebec has the lowest per capita debt of any of the nine provinces of Canada.

**HANSON BROS.**
INCORPORATED
*Established 1883*
330 Bay Street
TORONTO

255 St. James St., MONTREAL
56 Sparks St., OTTAWA

NEW ISSUE

**$20,000,000**

**Province of Quebec**

**3% Sinking Fund Debentures**

(Non-Callable)

To be dated November 1st, 1938 — To mature November 1st, 1947

*Principal and half-yearly interest (November 1st and May 1st) payable in lawful money of Canada in the Cities of Quebec, Montreal or Toronto, at the holder's option. Coupon Debentures in denominations of $1,000 and $500, with provision for registration as to principal.*

*Legal Opinion: J. C. H. Dussault, Esq., K.C.*

These Debentures form part of an authorized issue of Debentures aggregating in principal amount $30,000,000, of which $5,000,000 2% 3-Year Debentures maturing November 1st, 1941 and $5,000,000 2½% 5-Year Debentures maturing November 1st, 1943 have been sold.

In the opinion of Counsel, these Debentures will be direct obligations of the Province of Quebec and will be a charge as to principal and interest upon the Consolidated Revenue Fund of the Province. Debentures aggregating $16,500,000 are being issued to refund matured or maturing loans, and debentures aggregating $13,500,000 are being issued for road construction, colonization and other purposes.

A Sinking Fund of at least ½ of 1% will be provided annually during the term of the loan.

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

PRICE: 98.06 and accrued interest to yield about 3.25% to maturity

*WE OFFER THESE DEBENTURES ON BEHALF OF THE PROVINCE OF QUEBEC IF, AS AND WHEN ISSUED AND SUBJECT TO APPROVAL OF COUNSEL ABOVE MENTIONED.*

*SUBSCRIPTIONS WILL BE RECEIVED SUBJECT TO REJECTION OR ALLOTMENT IN WHOLE OR IN PART. THE SUBSCRIPTION BOOKS MAY BE CLOSED AT THE DISCRETION OF THE SELLING AGENTS AT ANY TIME WITHOUT NOTICE.*

*IT IS EXPECTED THAT DEBENTURES IN INTERIM FORM WILL BE READY FOR DELIVERY ON OR ABOUT NOVEMBER 15TH, 1938.*

Bank of Montreal
Banque Canadienne Nationale
The Canadian Bank of Commerce
A. E. Ames & Co., Limited
The Royal Bank of Canada
La Banque Provinciale du Canada
The Bank of Nova Scotia
L. G. Beaubien & Co. Limited
W. C. Pitfield & Co. Limited
Hanson Bros. Incorporated
Mills, Spence & Co. Limited
McTaggart, Hannaford, Birks & Gordon Limited
Kerrigan, MacTier & Co. Limited
Bartlett, Cayley & Co. Limited
Cochran, Murray & Co. Limited
Greenshields & Co. Incorporated
Crédit Anglo-Français, Limitée
Comptoir National de Placement Limitée
Lagueux & Darveau, Limitée
J. E. Laflamme, Limitée
Dominion Securities Corporation, Limited
Royal Securities Corpn. Limited
McLeod, Young, Weir & Co. Limited
Nesbitt, Thomson & Co. Limited
Savard, Hodgson & Co. Inc.
R. O. Sweezey & Co. Limited
Midland Securities Corp. Limited
Ross Bros. & Co. Limited
Bruno Jeannotte, Limitée
Dubé, Leblond & Cie., Inc.
La Corporation de Prêts de Québec
Garneau, Boulanger, Limitée
Paul Gonthier & Co. Limited
Wood, Gundy & Co. Limited
Collier, Norris & Henderson Limited
Bell, Gouinlock & Co. Limited
Mead & Co. Limited
René-T. Leclerc, Incorporée
Harrison & Co. Limited
F. W. Kerr & Co.
Hamel, Fugère & Cie, Limitée
J. C. Boulet, Limitée
Lucien Côté, Incorporée
A. S. McNichols & Co. Limited
Clément, Guimont, Inc.

*The statements contained herein are based upon information obtained from official sources but are in no event to be construed as representations by us.*

October 31st, 1938.

## Classified Advertisements

Classified ads. payable in advance, and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. cost 4c. per word

### Wanted

LOAN ON $92,000 SINGLE PREMIUM paid up Life Insurance, or any part of it at 4% rate. Apply Box 31, The Financial Post, Toronto, 2.

### Attention Manufacturers and Exporters

SALES EXPERT AVAILABLE IMMEDIATELY, thoroughly experienced in sales promotion and supervision in both domestic and export fields; knowledge of Canadian, American and European markets; age 35, university trained, speaks four languages, possesses high-grade references as to both character and ability. Box 29, The Financial Post, Toronto, 2.

### Executive Position Wanted

ADVERTISER EXPERIENCED IN Accounting, Sales Management, Advertising and management of Publishing Business for past ten years, seeks opening with larger opportunities as manager of small business, sales manager, special representative or confidential secretary. Present employers aware of proposed change. Box 27, The Financial Post, Toronto, Ont.

### Man Measurement

A CONSULTING SERVICE IS NOW available to employers to aid in measuring abilities of men being considered for employment, promotion or transfer. Enquiries invited. R. R. Buchanan, M.A., Vocational Consultant, 57 Bloor St. West, Toronto, Ont. MIdway 5131.

**The Conditioning Club**

Exercises, Badminton, Table Tennis, Turkish Bath, Showers, Massages and Sun Bath. Individual attention.

9 RICHMOND ST. EAST. AD. 7437

Everyday more and more men discover that the way to ensure all-day "FACE FRESHNESS" is to shave with a

**ROLLS RAZOR**

$6.95 AND UP STROPS ITSELF HONES ITSELF 80

ROLLS SHAVING BOWLS $1.00, REFILLS 60c

**For Income Purposes**

If you are seeking sound mediums to increase your investment revenue our new list of recommended preferred stocks can be helpful.

*Ask for List No. P26*

**Greenshields & Co**

*Members Montreal Stock Exchange*
*Montreal Curb Market*

507 Place d'Armes, Montreal

TORONTO OTTAWA QUEBEC
SHERBROOKE

138

**Features**

in the November issue

**THE CANADIAN CHARTERED ACCOUNTANT**

Public service in a democracy
The position of the public accountant in relation to business and government
Accountancy examinations of Canada
Money paid under mistake of law
Accounting terminology

Published monthly. $2.00 per annum. Subscription open to all. Sample copy sent on request. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

CANADIAN
FUND

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

**CALVIN BULLOCK, LTD.**

*Bond Markets*

# Large Quebec Offering Captures Fair Interest

### Two $5 Millions Short-term Issues Taken Up Privately and $5 Millions of 3% Bonds Purchased By Insurance Company

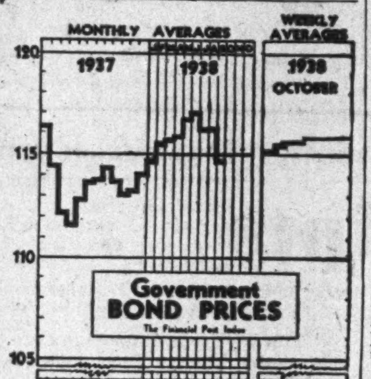
Following financing by Ontario and Nova Scotia, Quebec has come into the market with a $30 millions bond issue in the past week. It was suggested previously that the province might go to New York markets to negotiate this loan, but apparently the idea was discarded, probably because it was felt that the Canadian market would still be responsive.

Public offering is being made of only $20 millions, the other $10 millions having been sold to the banks. The proceeds will be used for road construction, colonization and other purposes.

Purchase by Sun Life Assurance Co. of $5 millions of the remaining block of $20 millions of 3% debentures, due Nov. 1, 1947, has helped in moving the issue. Institutional investors have shown interest in the other part of the issue.

The 3% bonds are being offered at 98.06 and accrued interest, to yield approximately 3.25%. In February, 1938, $10 millions of 3¼% bonds, due 1948, were offered at 99.45, to yield approximately 3.31%, which is fractionally more than the 3.25% on the present issue.

Reception to the bonds is reported as fair in view of the comparatively heavy financing that the market has been called to assimilate recently.



* * *

### *Canadian Bond Ratings*

Canadian securities generally enjoy a selective rating by U.S. investment services. In the recent European crisis investors in that country were recommended strongly by various organizations to ignore the securities of foreign governments, with the exception of high-grade Canadian issues.

While the rating given Dominion, Ontario and Quebec obligations is not as high as the top AAA rating of Moody, it is as high as any given to foreign government bonds at the present time.

In the Moody Bond Survey of October 31, it is stated: "Regarded from the angle of their intrinsically sound and well-established investment background, no objection can be raised to the inclusion in conservative portfolios of Canadian Government and governmentally guaranteed loans (all rated as Aa) and the obligations of the Province of Quebec and Ontario (both rated Aa) and bonds guaranteed by them."

Other provincial bonds are somewhat less highly regarded by this service. New Brunswick rates A; Nova Scotia Baa, as well as British Columbia, Manitoba and Saskatchewan. Alberta bonds follow with a Ba rating because of the reduced fulfilment of its obligations.

In support of Moody ratings, a comparison of New Brunswick and Nova Scotia obligations of similar or nearly similar maturity at November 1, the following table shows the disparity of yield.

Maritime Bond Yields

| New Brunswick (A rating) Issue | Yield | Nova Scotia (Baa rating) Issue | Yield |
|---|---|---|---|
| 3/51 | 3.76 | 3/52 | 3.32 |
| 5/60 | 4.25 | 5/60 | 3.77 |
| 4½/61 | 4.12 | 4½/60 | 3.67 |

* * *

### *Chile Obligations*

Interpretation of the law concerning service on the outstanding Chilean bonds suggests that those who have not already surrendered coupons for the specified amounts for 1936 through 1938 may do so without surrendering any of the principal amount of the bond obligation.

Previous to the recent decree the law might have been interpreted to mean that bondholders might forfeit principal of the bond. The Foreign Bondholders Protective Council Inc. points out that it was not recommending acceptance of the proposed service, but that it had withdrawn its objection since the law, as interpreted now, leaves the par value of the bonds the same if the coupons are redeemed.

* * *

### *High Grades Firm*

Prices of high-grade bonds were firm during the week, moving up fractionally higher on the average. Market in western provincials was mixed with firmness in British Columbia issues.

Revenues of B.C. were at the highest point in the province's history, and before provision for relief costs a surplus of $3.4 millions was shown on ordinary account in the past year. This marks the fifth consecutive year that improvement has been reported by B.C. In 1936-37 ordinary surplus was $3.3 millions.

A number of municipal issues enlivened trading in this division, including $150,000 3½% installment debentures of Forest Hill, Ont., $160,000 3½% installment debentures of Sherbrooke, Que., and $171,500 Drummondville, Que., 3½% installment debentures. A number of other municipalities have called for tenders for substantial amounts.

In the corporation list, better utilities attracted considerable attention, with a scarcity of offerings. Papers were quiet.

Average Price and Yield for Seven High-Grade Government Bonds

| 1938 | Price $ | Yield % | 1937 | Price $ | Yield % |
|---|---|---|---|---|---|
| Nov. 1 | 112.73 | 3.349 | Nov. 1 | 116.07 | 2.846 |
| Oct. 30 | 112.66 | 3.359 | Oct. 31 | 116.00 | 2.857 |
| Oct. 29 | 112.64 | 3.360 | Oct. 29 | 115.96 | 2.863 |
| Oct. 28 | 112.64 | 3.360 | Oct. 28 | 115.96 | 2.863 |
| Oct. 27 | 112.60 | 3.360 | Oct. 27 | 116.07 | 2.849 |
| Oct. 26 | 112.62 | 3.359 | Oct. 26 | 116.02 | 2.856 |
| Year's | 117.21 | 2.783 | Year's | 116.81 | 3.026 |
| Range | 111.86 | 3.389 | Range | 111.69 | 3.505 |

## Montreal South Pays Bondholders in Cash

From Our Own Correspondent

MONTREAL.—Details of refinancing of the funded debt of the town of Montreal South have been completed and old debentures are now being paid off.

In accordance with the plan of financial reorganization approved by creditors at a meeting on Oct. 11, debenture holders have been requested to transmit their debentures to Banque Canadienne Nationale, St. Lambert. In exchange they will receive in cash the face value of their debentures plus interest at the rate of 3½% from May 1, 1936, to May 1, 1938, and 4% from May 1, 1938, to Nov. 1, 1938.

## Muirhead Sales Decline 11%

### Net Loss of $14,212 Compares With $13,119—No Depreciation in 1938

Sales of Muirheads Cafeterias during the fiscal year ended Feb. 28, 1938, were approximately 11% lower than in the previous year. Net earnings were reduced from $10,881 in 1937 to an operating loss of $14,212.

No provision was made for depreciation in the past year, so that net loss amounted to $14,212, against a net loss of $13,119 in 1937, when depreciation allowance of $24,000 was made.

Deficit carried forward was increased to $79,494 from $65,817.

No dividends have been paid on the $10 par value 7½% preference stock since July 1, 1932, and arrears at July 1, 1938, amounted to $4.50 a share.

During the year under review the company redeemed 400 preference shares, in line with its policy of previous years.

Assets showed a decrease to $405,332 from $422,952 in the previous year; cash to $8,030 from $12,636; securities to $38,752 from $45,538; accounts payable to $11,850 from $14,015.

During the past three months changes have been made in management and in policy, resulting in a reduction of operating expenses, according to Harold A. Greene, president. It is believed that improvement will result.

Income and Surplus Account
Last Day of February

| | 1938 $ | 1937 $ |
|---|---|---|
| Sales | 337,684 | ...... |
| Less: Sales cost | 351,896 | ...... |
| Net earnings | *14,212 | 18,881 |
| Less: Depreciation | ...... | 24,000 |
| Net loss | 14,212 | 13,119 |
| Add: Prev. deficit | 65,817 | 51,752 |
| Tax prov. | ...... | 925 |
| Adjusts. | 271 | 21 |
| Less: Sec's. profits | 806 | ...... |
| Deficit forward | 79,494 | 65,817 |

*Loss or deficit.

Working Capital

| | 1938 $ | 1937 $ |
|---|---|---|
| Current assets | 55,538 | 67,270 |
| Current liabilities | 18,564 | 20,947 |
| Working capital | 36,974 | 46,323 |

## American Cyanamid Net Down for Nine Months

American Cyanamid Co. and subsidiaries reports net income considerably lower for the nine months ended Sept. 30, 1938, than for the corresponding period of 1937. Earnings, however, have still been more than sufficient to cover the current dividend being paid on the A, and B common shares.

Details of the consolidated income account follow:

Nine Months Ended Sept. 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Net oper. profit | 5,538,911 | 8,241,970 |
| Add: Divds., int., etc. | 307,096 | 397,380 |
| Royalties, licenses | 118,832 | 108,646 |
| Other earns. | 21,397 | 36,019 |
| Total income | 5,986,236 | 8,784,015 |
| Less: Depr. & depl. | 2,139,753 | 2,026,757 |
| Research & devel. expenses | 1,406,140 | 1,289,106 |
| Int. & amort. | 481,339 | 313,163 |
| Income taxes | 508,744 | 869,052 |
| Subsid. divds. | 49,980 | 49,980 |
| Net income | 1,400,280 | 4,235,957 |
| Less: Pref. divds. | 55,373 | ...... |
| Net avail. com. | 1,344,907 | 4,235,957 |
| Earns. per Share & Divd. Record: | | |
| Preferred: Earned | $8.22 | ...... |
| Paid | 0.37½ | ...... |
| Classes "A" & "B": | | |
| Earned | 0.53 | $1.68 |
| Paid | 0.45 | 0.45 |
| No. of Shares Outstanding: | | |
| Preferred | 170,453 | ...... |
| Common† | 2,520,368 | 2,520,368 |

†Excluding shares held by subsidiary companies.

Note:—Consolidated net income, as reported by the company, does not include the company's equity in the undistributed net income of certain affiliated companies in which the company does not have a majority interest.

## Bond Tenders

5 p.m., Nov. 7, Dartmouth, N.S.—$25,600, 3½%, 20-yr. debentures, dated Nov. 1, 1938. W. T. Smith, clerk.

4 p.m., Nov. 7, Hull, P.Q.—$237,500. 3½ or 4%, dated Nov. 1, 1937; due, 3½% 1939 to 1947; 4% 1939 to 1957; $55,000, 3½ or 4%, dated Nov. 1, 1938; due, 3½% 1939 to 1948; 4% 1939 to 1958. H. Leon Leblanc, clerk.

7 p.m., Nov. 8, Corp. De La Partie Nord De La Paroisse De L'Annonciation, P.Q.—$24,000, 3½ or 4%, dated Nov. 1, 1938, redeemable serially from Nov. 1, 1939 to Nov. 1, 1953. F. Harbour, sec.-treas.

5 p.m., Nov. 23, Grand'Mere, P.Q.—$15,000, 3½ or 4%, dated Nov. 2, 1938, maturing in series from Nov. 2, 1939 to Nov. 2, 1968, or maturing also in series with the issue renewable for 15 years on Nov. 2, 1953. Leo Gervais, sec.-treas.

6 p.m., Nov. 14, Beauport, P.Q.—$170,000, 4%, dated Dec. 1, 1938, maturing serially from Dec. 1, 1939 to Dec. 1, 1963, inclusively. Phileas Grenier, sec.-treas.

# Quebec Bonds Are Offered

### Sun Life Buys $5 Million Block of $30 Millions Issue

From Our Own Correspondent

MONTREAL.—In order to refund matured loans and to provide funds for road construction, colonization and other purposes, the Province of Quebec is in the market with a $30 millions bond issue.

Public offering is being made of only $20 millions of bonds, $10 millions having been sold directly to the banks. The public offering consists of $20 millions of 3% nine-year bonds and is being made by a syndicate of banks and investment houses headed by the Bank of Montreal, A. E. Ames & Co. Ltd. and L. G. Beaubien & Co. Ltd. The nine-year bonds are being offered at 98.06 to yield 3.25%.

The $10 millions sold privately consist of $5 millions of 2% three-year debentures and $5 millions of 2½% five-year debentures.

Sinking fund of one half of 1% is to be provided during the term of the loan.

Debentures aggregating $16.5 millions are to be used to refund matured loans and $13.5 millions for road construction, colonization and other purposes. The loans being refunded are the $12 millions and $5 millions which matured Oct. 1 and Nov. 1 respectively.

**Sun Life Takes $5 Millions**

In addition to taking up the $10 millions of short term bonds, the institutional investors have taken a large block of the 3% nine-year debentures. In this connection it was announced the Sun Life Assurance Co., purchased $5 millions of these bonds.

A large Quebec loan has been forecast in investment circles for some weeks. In fact, it was understood the province was seeking a larger loan than the one being offered. A week ago it was stated the province was attempting to negotiate a loan in New York. Apparently it was decided not to go ahead with this.

**Sharp Increase In Debt**

Financial statistics contained in the prospectus show a sharp increase in debt and expenditures since 1929. Gross funded debt, treasury bills and bank loans at June 30 last amounted to $240,734,000, after deducting sinking funds and cash. This compares with $68,447,000 at June 30, 1929, and $193,734,000 at June 30, 1937.

Gross funded and temporary debt at Nov. 1, including the present issue, amounted to $264,076,099. After deducting sinking funds of $23,590,700 there remains a net funded and temporary debt of $240,485,399. The above figures do not include $15 millions of bonds issued in 1924 to the Bank of Hochelaga in connection with which annual payments are made to the province sufficient to pay interest and retire the bonds at maturity. Contingent liabilities, exclusive of the Public Charities Fund, are shown at $17,153,564.

Revenues of the province in the year ended June 30, 1938, amounted to $53,344,000, compared with $39,976,000 in the 1928-29 fiscal period. Ordinary expenditures in 1937-38 totalled $50,336,000 so that the province reported an ordinary surplus of $3,008,000.

Expenditures on unemployment relief and the deficit of the public charities fund are not included in ordinary account. If the accounts are adjusted to include these two items, the ordinary deficit totalled $11,609,000. Other expenditures charged to capital account amounted to $23.4 millions.

## Eastern Car Co. Calls Bonds for Sinking Fund

From Our Own Correspondent

MONTREAL. — Eastern Car Co. has called for redemption $40,000 of its 6% first mortgage sinking fund bonds at 105 and accrued interest, payment to be made on January 1 next.

No recent figures have been published on the net funded debt of the company, but it is believed that the amount outstanding now totals less than $500,000.

## Bondholders Approve Bay-St. Albans Plan

Proposal of Bay-St. Albans Ltd. to reduce coupon rate on the first mortgage bonds from 6½% to 4% and to extend maturity to Nov. 1, 1953, has been approved by bondholders.

By the plan, redemption privileges become effective after Nov. 1, 1948. All default will be waived and a new lease made with National Motors Ltd., providing for a monthly rental of $940 over a period from May 1, 1938, to Nov. 1, 1953.

## Bond Sales

**St. Jean Vianney, P.Q.**

Credit Anglo-Francais Ltd. has purchased $30,000 serial debentures of the School Commission St. Jean Vianney, P.Q., at 97.50. This issue is comprised of $10,000 3½% bonds, maturing 1939 to 1940, and $20,000 4% bonds, maturing 1941 to 1953. The former issue is guaranteed by the Province of Quebec subsidies. Offering is being made to the public at par.

* * *

**Village of Charlemagne, P.Q.**

Credit Anglo-Francais Ltd. is offering $15,000 4% serial bonds of the Village of Charlemagne, P.Q., at par. The issue matures in installments of one to 25 years. Purchase price was 98 and the issue is offered at par.

* * *

**Forest Hill, Ont.**

The village of Forest Hill, Ont., has sold $150,000 of 3½% installment debenture to Wood, Gundy & Co. at 102.18, on a cost basis to the village of 3.26%. The bonds mature 1939 to 1958, and the proceeds will be used for a new school.

A list of bids follows:

| | |
|---|---|
| Wood, Gundy & Co. | 102.18 |
| Dominion Securities Corp. | 102.07 |
| Frank L. Craig | 101.25 |
| Cochran, Murray & Co. | 101.096 |
| Dyment, Anderson & Co. | 100.95 |
| Bartlett, Cayley & Co.<br>Imperial Bank | 100.36 |
| Lawrence Smith & Co. | 99.53 |
| R. A. Daly & Co.<br>Fry and Co. | 98.77 |

# *Estimate Food Chain Store Sales to Total $116,000,000*

In a survey of 60 company and individually-owned grocery and combination meat and grocery stores in Canada, Canadian Grocer predicts that gross retail volume of sales will approximate $116 millions in the present year. This is a slight reduction in grocery sales from the previous year, due to slightly lower prices. Meat sales of these chains will be higher because of expansion in this division of operations.

In the tabulations below only organizations operating five units or more are included:

Estimates of 1938 Food Chain Sales
(Compiled by Canadian Grocer)

| Eastern Canada Name Head Office | Approx. No. of Stores | Estim. Sales 1938 $ |
|---|---|---|
| Loblaw, Toronto | 115 | 24,000,000 |
| Dominion Stores | 478 | 19,500,000 |
| Atlantic & Pacific Tea Co. | 173 | 12,000,000 |
| Stop & Shop<br>Thrift Stores | 138 | 8,000,000 |
| Wm. Carroll, Hamilton | 112 | 2,000,000 |
| M. & P. Stores, Windsor | 55 | 2,000,000 |
| T. Eaton Co., Ontario | 16 | 3,000,000 |
| T. Eaton Co., Quebec | 2 | |
| Candn. Stores Ltd., Halifax | 24 | 1,300,000 |
| Steinberg's, Montreal* | 22 | 2,000,000 |
| Quality Groceterias, Hamilton | 7 | 1,000,000 |
| Acadia Stores, Halifax | 16 | 700,000 |
| Miracle Marketerias, Toronto | 8 | 900,000 |
| Thomson Groceries, Toronto | 9 | 270,000 |
| Haboco Stores, Peterborough | 7 | 200,000 |
| Sterling Stores, Halifax | 9 | 180,000 |
| Barkers, New Glasgow, N.S. | 10 | 450,000 |
| Quality Food, Toronto | 8 | 320,000 |
| Power Stores, Toronto | 6 | 500,000 |
| Cash & Carry, Campbellton | 11 | 260,000 |
| Fitzpatrick & Geraghty, Peterborough | 7 | 350,000 |
| Adam & Co., Sudbury | 5 | 150,000 |
| Powell & Co., Dundas, Ont. | 7 | 2,000,000 |
| E. F. Mason, Peterborough | 7 | |
| Corkum & Ritcey, Halifax | 8 | |
| The "2" Barkers, Saint John | 5 | |
| Inter. Provision Co., Halifax | 7 | |
| J. C. Pinch, Sault Ste. Marie | 6 | |
| E. Luckin, Belleville, Ont. | 5 | |
| Toronto Grocery, Toronto | 5 | |
| Curtis Markets, Toronto | 5 | |
| Buywell Food, Montreal | 5 | |
| F. T. Hill, Markdale, Ont. | 5 | |
| Hickman's Stores, Ottawa | 5 | |
| Baileys Stores, London | 5 | |
| Sobey's Food, Stellarton | 5 | |
| Capital Stores, Halifax | 6 | |
| Total, Eastern Canada | 1,342 | 81,080,000 |

*Montreal units now individually owned.

| Western Canada Name Head Office | Approx. No. of Stores | Estim. Sales 1938 $ |
|---|---|---|
| Safeway, Vancouver | 180 | 16,800,000 |
| Piggly Wiggly, Vancouver | 68 | |
| Hudson's Bay Co., Winnipeg | 10 | 4,500,000 |
| McBrides Ltd., Regina | 50 | 2,000,000 |
| Jenkins, Calgary | 37 | 1,800,000 |
| O.K. Economy, Saskatoon | 36 | 1,200,000 |
| T. Eaton Co., Winnipeg | 16 | 2,500,000 |
| Neal Bros., Winnipeg | 24 | 550,000 |
| London Grocery, Vancouver | 5 | 250,000 |
| Jewell Stores, Winnipeg | 5 | 350,000 |
| Shoprite Stores, Calgary | 8 | 373,000 |
| Harry Tait, Edmonton | 5 | 250,000 |
| Superior Stores, Vancouver | 15 | 405,000 |
| Shop Easy, Winnipeg | 20 | 900,000 |
| Overwaitea, Vancouver | 30 | 3,000,000 |
| Wilbee's Service, Vancouver | 14 | |
| B. & K. Economy, Vancouver | 20 | |
| Curry's Grocery, Vancouver | 6 | |
| Nu-Way Stores, Edmonton | 7 | |
| Wallace, Vancouver | 5 | |
| Allan's Bl. & Wh., Edmonton | 6 | |
| Ray's, Victoria & Vancouver | 9 | |
| David Spencer, Vancouver | 6 | |
| Total, Western Canada | 582 | 34,880,000 |
| Total, Eastern Canada | 1,342 | 81,080,000 |
| Grand total | 1,924 | 115,960,000 |
| Estimated vol. of meats | | 30,000,000 |
| Estim. grocery sales | | 85,960,000 |

## Wpg. Electric Trend Changes

### Operating Profit Moves Ahead in September — Cuts Down Past Decline

MONTREAL.—A favorable change in the trend of earnings of Winnipeg Electric Co. is indicated in the interim report for September. During that month the company reported a gross income of $518,484, an increase of $6,376 over the same month a year ago. At the same time there was a reduction in operating expenses and taxes, leaving net earnings of $204,784, or $13,360 more than a year ago.

As a result of the improvement in September, the cumulative returns to the end of the same month for 1938 show net income of $1,952,293, or $56,299 less than for the like period of 1937.

Comparative figures follow:

| September | 1938 $ | 1937 $ |
|---|---|---|
| Gross income | 518,484 | 512,117 |
| Expenses & taxes* | 313,700 | 320,693 |
| Net income | 204,784 | 191,424 |
| Nine Months Ended September | | |
| Gross income | 4,813,387 | 4,961,438 |
| Expenses & taxes | 2,861,094 | 2,952,846 |
| Net income | 1,952,293 | 2,008,592 |

**FOREARMED . . . . . .**

Whether or not your executor can make the most of your estate depends on the nature of the arrangements you have made in your Will. ¶ Reviewing it, you may come to recognize, for instance, that you will have to take certain further steps if your executor is to deal with your business interests to the best advantage; or that certain securities may be liable to double Succession Duties and could be advantageously changed to others; or again that your estate is insufficiently protected with liquid assets. ¶ You may greatly increase the effectiveness of your Will by considering it from the point of view of your executor, who will have to translate it into practice. We invite you to consult this Corporation's experience as executor and trustee of many thousands of estates. Consultations will place you under no obligation.

THE
**TORONTO GENERAL TRUSTS**
CORPORATION

Assets under administration . . . . . . . $237,000,000

## Investment House Offers Three Religious Issues

From Our Own Correspondent

MONTREAL.—Public offering of three religious bond issues is being made by Paul Gonthier & Co. Ltd., Montreal investment house.

An issue of $25,000 of 4% bonds of La Communaute des Soeurs de Charite de la Providence is being offered at 100½ and accrued interest. The bonds mature serially 1954 to 1958. They are secured by revenues paid by the Joliette School Commission to the order for the maintenance of a school of 10 classes.

Les Syndics de la Paroisse de L'Enfant-Jesus de Pointe-aux-Trembles 4% bonds are being offered at par. The amount of this issue is $36,000. Proceeds to be applied to the cost of a school. These bonds are the only debt of the parish and mature in 1953.

A total of $48,000 of 4% first mortgage bonds of the Congregation des Soeurs Antoniennes de Marie is being offered at par. This offering consists of part of an issue of $175,000. The bonds are secured by a first mortgage on the mother house and school of the order at Chicoutimi and a floating charge on movables.

*New Issue*

**$3,000,000**

**Algoma Steel Corporation, Limited**

**First Mortgage Bonds, Series "A"**

**$1,200,000 Serial 3½%, 4% and 4½% Bonds to be dated November 1st, 1938, and to mature November 1st, 1939-44**

**$1,800,000 Convertible 5% Ten-Year Bonds to be dated November 1st, 1938, and to mature November 1st, 1948**

Principal and half-yearly interest (May 1st and November 1st) payable at the holder's option in lawful money of Canada at any branch of the Company's bankers in Canada, except Yukon Territory. Serial Bonds redeemable at 101; the 5% Ten-Year Bonds at 105 if redeemed on or before November 1st, 1943, and thereafter at decreasing premiums, in each case with accrued interest to date of redemption. An annual sinking fund, commencing November 1st, 1945, will be provided for the 5% Ten-Year Bonds sufficient to retire $200,000 principal amount of such Bonds per annum.

Trustee: Montreal Trust Company

In the opinion of Counsel, these Bonds will be a legal investment for Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932, as amended.

**Conversion Privilege**

The Serial 3½%, 4% and 4½% Bonds will not be convertible. The first $600,000 principal amount of 5% Ten-Year Bonds tendered for conversion will be convertible into no par value Common Shares of the Company on the basis of 6 shares for each $100 principal amount of Bonds, the second $600,000 principal amount on the basis of 5 shares for each $100 principal amount of Bonds, and the last $600,000 principal amount on the basis of 4 shares for each $100 principal amount of Bonds. The conversion privilege extends to and includes November 1st, 1943.

*Sir James H. Dunn, Bart., President of Algoma Steel Corporation, Limited, has furnished the following information:*

**The Company**

The Algoma Steel Corporation, Limited owns and operates a completely integrated plant for the manufacture of iron and steel, with an annual capacity of 600,000 tons of pig iron, 600,000 tons of steel ingots, 600,000 tons of blooms, 72,000 tons of billets, 300,000 tons of rails and structural shapes, 180,000 tons of light structural, rail fastenings, bars and alloy steels. The coke plant has an annual capacity of 750,000 tons of coke, 6,000,000,000 cubic feet of gas, 10,000 tons of ammonium sulphate, 7,000,000 gallons of tar and 2,500,000 gallons of motor benzol.

During the past fifteen years the Company has supplied over 60% of all rails purchased by railway companies operating in Canada, notwithstanding which the Company's policy of diversifying its products has been so successful that approximately 85% of its sales last year were to customers other than railroads.

Through subsidiary companies it has extensive deposits of coal, iron ore and limestone.

**Capitalization**

Capitalization of the Company outstanding as at April 30th, 1938, after present financing, will consist of this issue of $3,000,000 principal amount of First Mortgage Bonds; $2,201,500 par value of 5% Preference Shares, and 407,540 shares of no par value Common Stock.

**Earnings**

Earnings of the Company for the fiscal year ended April 30th, 1938, before providing for bond and other interest, depreciation and income taxes, amounted to $1,417,670. Interest requirements of this issue will be $138,000 in the first year and decreasing amounts in subsequent years. Present annual provision for depreciation amounts to about $548,000.

**Purpose of Issue**

Proceeds of this issue of $3,000,000 First Mortgage Bonds, Series "A", will be used to pay for a mill for the manufacture of black sheet and tin plate and for other corporate purposes.

We offer these Bonds, subject to prior sale, if, as and when issued and accepted by us, and subject to the approval of our Counsel, Messrs. Long & Daly, and of Messrs. Wright and McMillan for the Company. Title to the Company's properties will be reported on by its solicitors.

**Price: 100 and accrued interest**

It is expected that Interim Bonds or Trustee's Interim Certificates will be available for delivery on or about November 15th, 1938.

*Descriptive circular furnished upon request.*

**Wood, Gundy & Company Limited**

**McLeod, Young, Weir & Co.** Limited
**W. C. Pitfield & Co.** Limited
**Cochran, Murray & Co.** Limited

The information contained in this advertisement is based upon statements and statistics on which we have relied. We do not guarantee, but believe the statements herein to be true.

# The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy

The Financial Post Business Year Book and Market Survey, Yearly, $2.
The Financial Post Survey of Corporate Securities, Yearly, $2.
The Financial Post Survey of Mines, Yearly, $2.
Directory of Canadian Directors and Officials, $10.
The Financial Post Survey of Canadian Oils, Yearly, $1.
The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2.
Founder and Chairman—John Bayne Maclean
President—Horace T. Hunter
Vice-President and General Manager—H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, NOVEMBER 5, 1938

### The Financial Post's Platform for Canada

*Balanced budgets.*
*A modernized constitution.*
*Extension of Empire trade.*
*Integrity in meeting public obligations.*

## Putting Canada First

ONE big stumbling block to the national leadership which Canada so urgently needs is the ganging-up of Premiers Hepburn and Duplessis—their refusal to place national weal ahead of personal or provincial considerations.

Canada must seek, and has a right to find, aggressive national leadership at Ottawa. She has an equal right to expect something more than petty, personal provincialism from the executive heads of the two senior partners to Confederation.

The Toronto Globe and Mail is to be commended for its outspoken editorial campaign directed toward these two provincial premiers. In urging these two leaders to put national well-being ahead of narrow political self-seeking, the Toronto journal is not overstating the case when it suggests that the eventual alternative is national bankruptcy.

> "Mr. Hepburn must share some of the blame for the attitude of the Westerners who talked of secession. They pinned it on him directly, although his sympathy for the farmers is well known. But they and the rest of the country can let bygones be bygones and make a fresh start from here if leadership in the right direction, which Mr. Hepburn and Mr. Duplessis can provide, is forthcoming.
>
> "Talk of disunity is injurious. Talk and action in behalf of unity are what the country must have. If public men would cease using the platform as a forum for the airing of petty grievances and jealousies and turn to the grave problems of State there would be hope for the country.
>
> "Sometimes conditions have to reach a crisis to bring an awakening. They are at that stage in Canada. They are too serious to permit individual obsessions to stand in the way of solution. It is time Mr. Hepburn came to the realization that there is a larger purpose to serve, for all public men and newspapers to see the need of preserving the national virility.
>
> "He and his friend, the Premier of Quebec, have been accused of ganging up against the Federal Government and the rest of Canada. Let them gang up to rescue Canada from dissolution and financial destruction.
>
> "The power of the two central provinces in provincial affairs is undeniable. It can be used for good as well as evil. Mr. Hepburn can serve the people of Canada to his lasting credit by leading the provinces in a co-operating movement to save the nation and its resources."

Sooner or later the people of both Quebec and Ontario will rise to destroy leaders who put petty provincialism before the best interests of the nation as a whole. Meanwhile grave and irreparable damage may be done.

With the Munich peace as a background, the time is clearly ripe for national leadership of a type this country has not seen in a generation. Such leadership, if coupled with a measure of self-discipline on the part of the Canadian people, can lead the way to achievement in peace greater than anything the country could have accomplished had she been forced to go to war.

A first step in such a programme is for Mr. Hepburn and Mr. Duplessis to forget alleged or fancied grievances and turn their great energy and ability to giving Canada a new vision and faith in its destiny.

## Telling Canada's Story

THE paucity of news about Canada in many London, England, newspapers is appalling. The Dionne quintuplets, the late Mrs. Sidley and Mr. Aberhart are always good copy. But most of the normal routine of life in Canada seems to be too dull for coverage.

Chief source of news about Canada in the British papers is Reuter's. This world-encircling news agency cables much solid news from Canada, but little of it gets past the subeditors' desks. The Times has in John A. Stevenson a most able full-time correspondent. Only a few of the other papers have even part-time correspondents.

The other day Lord Kemsley's Daily Sketch, one of the most rapidly advancing newspapers in Britain, had a word to say on an allied subject:

> "It is more than likely that if you were to ask ten people in the street any question about the politics of any one of the Dominions, only one or two would be able to give you a knowledgeable reply.
>
> "The general election in New Zealand, which takes place today, should be of far greater interest to us than occurrences in, say, the Balkans, but unfortunately it is not.
>
> "Our bounden duty is to concern ourselves more than we now do with affairs overseas, for whether we realize it or not, the future of Britain is bound up with that of the Commonwealth of English-speaking people in the Empire and the United States.
>
> "What is of vital importance to our own kith and kin in the Dominions must surely be of some importance to us."

If British publishers want the British people to understand the problems of British countries overseas they will find it necessary to give more space to cabled news and interpretative articles from the Dominions.

The visit of the King and Queen to Canada will result in many columns of publicity for Canada in the United Kingdom press. It may be the beginning of an improved coverage of Canadian news in Old Country papers.

## A Mine for Their Majesties

GOLD-PLATED elevators and plush seats in the "muck-buggies" are probably not the right way for the King and Queen and party to see a Canadian mine in their visit here next summer.

But such fancy fixings were offered at once by one mining organization when The Financial Post suggested the probability that this property would be chosen for the royal glance at Canada's richest industry.

What property should Their Majesties visit?

Both of them have seen a lot of cornerstones, heard a lot of flub-dub from local potentates. Both of them have met a lot of "interesting people."

But neither of them have seen, or anywhere else in their Empire can see, mines just like Canada's.

In their train, telling the world about every Royal move, gesture and phrase, will be newswriters from the press of the world. Getting Their Majesties down a Canadian mine is, therefore, not only a natural gesture of alert hospitality, but the chance of a life-time for giving the world, and especially Britishers, some slight notion that South Africa is not the only mining country in the Empire and that fabulous riches lie here, too.

Sullivan, McIntyre, Hollinger, Noranda, Lake Shore—there are a score of great mining properties whose vast underground cities would impress, inform and entertain.

Questioned by The Post, several mining men, with properties of their own, have thought International Nickel is perhaps the choice if only a single visit is to be made.

The Frood mine, with more than a decade of vast ore production behind it and 50 proven years ahead of it, is held to be the richest single mine in the world. Right there the whole mining story is told, for out of its depths come copper, nickel, gold, silver, selenium and tellurium. Furthermore, nickel is the only exclusively Canadian metal. Most of the great countries of the world have some gold or silver or copper. In nickel, Canada is supreme.

## Tackling the Rail Problem

CRITICISM of public leaders who continue to hold a closed mind in respect of the Canadian railway problem was voiced recently by V. Evan Gray, K.C., president, Association of Boards of Trade and Chambers of Commerce of Ontario.

Speaking at Owen Sound recently he expressed the conviction that Canadians should assure political leaders of one thing at least, namely, that "the people of Canada do not want, and will not allow, the indefinite continuance of the drain upon the public treasury of the present system of railway operation in Canada."

> "I believe the people of Canada will give their confidence to a government or party which can produce and carry through a plan for reorganization of our national railway system which will secure relief from existing deficits, readjustment of services to the real needs of traffic, the elimination of duplication and waste, a business efficiency founded upon non-political management, and last, though not least, the modernization of our rail transportation system to give faster and more efficient freight and passenger services.
>
> "This is what the Canadian people want for their railway system and this is what our businessmen in Canada are determined to get with the assistance of, or in spite of, both political parties."

As in so many areas of national public life there has been no positive leadership given on Canada's railway problem. Where there should have been direction, there has been merely drift.

The Munich peace has already given a lead to British peoples—and especially to Canada—toward tackling this and other national problems with new spirit and new determination.

## Organizing For Tourist Trade

TOURISTS are not interested in provincial boundaries. When they plan a Canadian holiday they think of this country as a whole, or if they have been here before, of great areas of similar scenery and other attractions.

This being the case, much of our provincial promotional efforts must lead to confusion rather than conviction.

In the same category are our different provincial highway regulations, our liquor and game laws.

There is room in this country for every possible tourist that can be attracted without the various provinces squabbling over the spoils. In every part of the Dominion there is something worth seeing.

So far, emphasis has only been concentrated on a few of the highspots. The visitor has been left to discover the others for himself, a tedious, old-fashioned and unprofitable method of development.

Without centralized and more aggressive leadership from Ottawa the tourist business cannot be organized to produce anything like maximum results. Without this leadership we weaken our efforts toward national advertising, toward unifying provincial regulations and laws, toward development of connecting-road links.

In a normal year our tourist business is worth close to $300 millions. This is equivalent to a direct export of that amount of Canadian produce. Indeed there is more real value than actual goods, because the tourist spends much of his money to see scenery which continues to remain in our possession to be sold over and over again. Without this vast inflow of foreign money Canada would find considerable difficulty in maintaining its present favorable position in foreign exchange. Our money is kept firm, able to purchase full value in foreign markets.

This industry is much too valuable to be bandied about among half-a-dozen departments at Ottawa. It is too essential to be left to a few ill-supported provincial bureaux. Competition for the tourist dollar is increasing and we, in Canada, must go after it or expect to lose.

Two things are necessary:

First, Ottawa should co-ordinate all tourist effort under a ministry of tourism or under a special department attached to the Prime Minister's office.

Secondly, this department should be charged with responsibility—both in Canada and abroad—for a nation-wide "Visit Canada Campaign" in 1939.

## Unbaiting the Hook

PRESIDENT ROOSEVELT wants the St. Lawrence Waterways scheme proceeded with without delay. Prime Minister Mackenzie King is not unfavorable toward it. Premier Hepburn does not like it and has not hesitated to say so.

Because of this interplay of governmental interests and because of the huge power and navigation interests involved, propaganda and political pressure dominate the picture. Public opinion is confused—confused as to economic and financial pros and cons; confused as to whether it should favor or reject the project itself.

New light on this important problem is being thrown by J. B. Challies, president of the Engineering Institute of Canada. Speaking at Hamilton and more recently at Winnipeg, he warns Canadians that the recent proposals of the Hon. Cordell Hull have at least four important objectionable features not acceptable by Canada.

> The Roosevelt treaty will in effect establish a new and permanent American servitude over the purely Canadian St. Lawrence Canals;
>
> The division of costs is unfair to Canada;
>
> The division of maintenance and operation costs will be unduly burdensome to Canada; and
>
> The Chicago diversion will be settled, but in favor of the United States.

Though Mr. Challies' objections are chiefly based on consideration of the seaway as a navigation rather than a power project they are worthy of serious consideration.

If, as and when the St. Lawrence Waterways scheme is proceeded with it must be on a basis that is not only fair to Canada but at a cost which this country can afford to bear in proportion to the benefits received. Mr. Challies believes that the proposed treaty is not fair on the points listed.

The St. Lawrence Waterway can never be entirely dissociated from political considerations. The rôle played by provincial, state and two federal governments has clouded economic and financial considerations for years—will probably continue to do so.

But Mr. Challies is performing an important service in drawing attention to what he believes are economic, sovereign and financial weaknesses in present proposals. These are fundamentals which tend to be clouded by political propaganda and self-seeking.

Rather than wait for a change of heart on the part of Ontario's Premier Hepburn, Prime Minister King should probe immediately the objections made by Dr. Challies.

## Editorials in Brief

**Bacillus Hitlerius** was the phrase used the other day by Dean Franklin Bliss Snyder, vice-president, Northwestern University, to describe menace to freedom of education and journalism that "imperils" this continent.

He cited Alberta's attempt at a press-gag law as an example of what must be guarded against.

## Sayings of the Week . .

"I hope that Russia will prosper."—*Sir Edward Beatty.*

• • •

"If Great Britain is at war, we are at war."—*Professor Norman Mackenzie.*

• • •

"Canada does not automatically enter a war in which another part of the Empire is involved."—*Professor Percy E. Corbett.*

• • •

"A riding is what a Parliamentarian gets when he returns home after a session." — *W. J. Cameron, Ford Motor Co.*

• • •

"If Great Britain and America cannot agree, we are deadlocked and everything is in danger."—*Nicholas Murray Butler.*

• • •

"A menace of dictatorships is that if they are going to break down they first of all break out."—*Col. W. A. Bishop, V.C.*

• • •

"We can no longer afford to leave the barter aspect of foreign trade to look after itself."—*Professor J. M. Keynes.*

• • •

"Whatever choice of way of life a people makes, that choice must not threaten the world with the disaster of war."—*President Roosevelt.*

• • •

"The unlimited power of one party leads to excessive ambition, to recklessness, to complacency and almost invariably in the end to corruption and inefficiency."—*Walter Lippmann.*

• • •

"The limit of taxation has been reached in relation to our present national income and further increases can only result in a contraction of that national income."—*Hon. Eric Cross, Minister of Municipal Affairs, Ontario.*

• • •

"I have lived in the West all my life and I think 99 per cent of the secession talk comes from Toronto."—*F. J. Leathers at U. F. of M. Convention, Brandon, Man.*

• • •

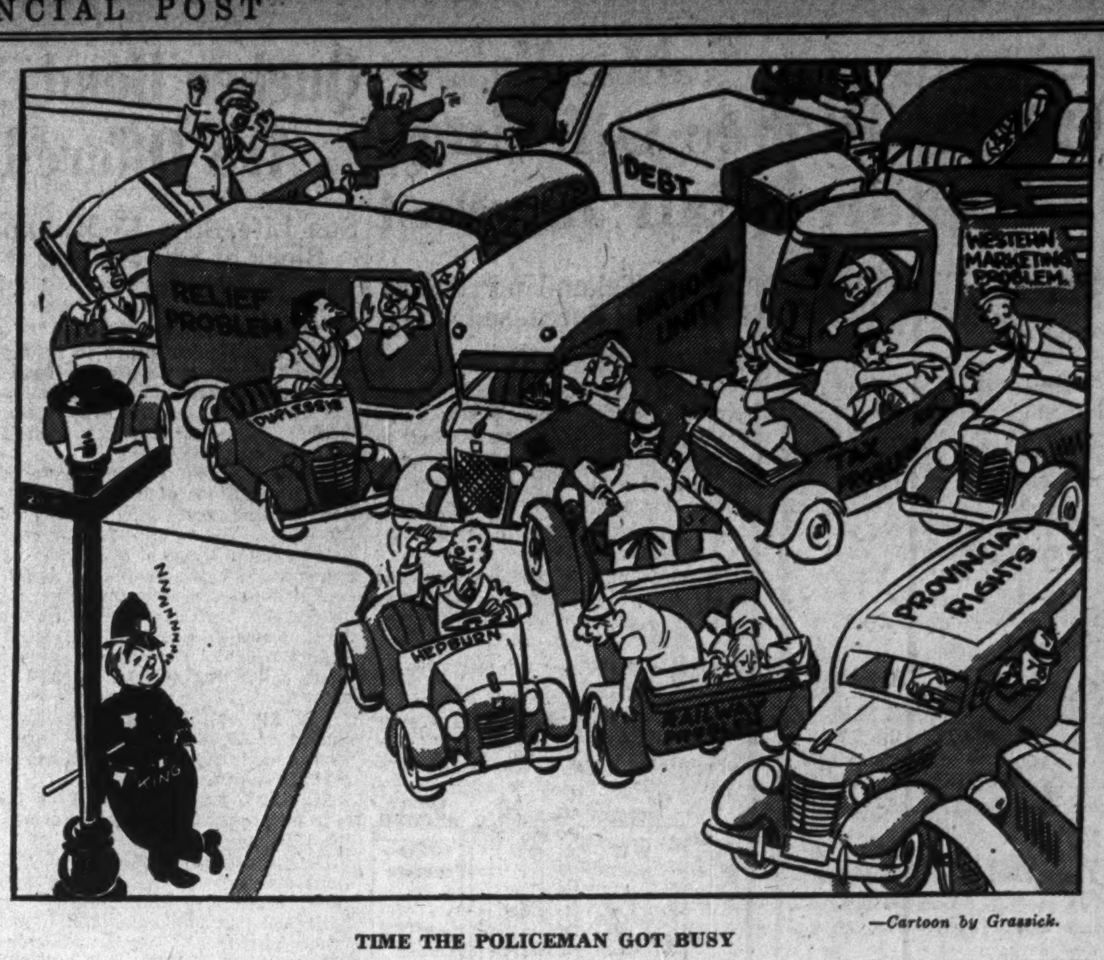
"There are but two roads down which a dollar can travel. It can travel the road to productive enterprise; or, it can travel the road to government bureaucracy."—*Col. Frank Knox.*

• • •

"Governments can make greater use of the experience of business men in connection with the establishment and maintenance of social services." — *W. D. Black, president, Canadian Manufacturers' Association.*

• • •

"There has been too much disposition to canalize what is known as knowledge; to separate and catalogue it into various cubby-holes and to treat each cubby-hole as if it were not related to another."—*Principal Lewis W. Douglas, McGill University.*



TIME THE POLICEMAN GOT BUSY

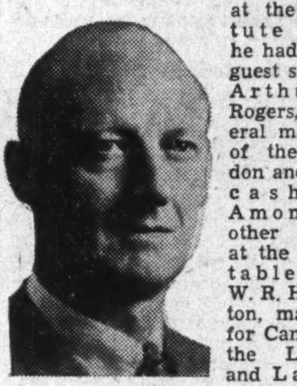
—*Cartoon by Grassick.*

# Post-Scripts . . . .

### *Liverpool Reunion*

Last week when Colin Sword presided at the inaugural dinner meeting of the Insurance Institute of Toronto, he must have felt that he was back in the old days as a junior clerk at Liverpool, England. At the meeting were three of his early associates.

It was with the London and Lancashire Insurance Co. Ltd at Liverpool that Mr. Sword began his insurance career, and the other night at the Institute dinner he had as his guest speaker Arthur S. Rogers, general manager of the London and Lancashire. Among the other guests at the head table were W. R. Houghton, manager for Canada of the London and Lancashire, and Wm. Thompson, manager for Canada of the Security Insurance Company of New Haven. All three, with Mr. Sword, began their insurance careers together at the head office of the London and Lancashire.



COLIN SWORD

• • •

After spending some years at Liverpool, Mr. Sword came to Canada in 1906, assuming an executive position with the same company at Quebec City. In 1914 he was transferred to Montreal, becoming manager for eastern Canada. In 1924 he joined the Union Insurance Society of Canton, becoming manager of that group, which position he holds today.

• • •

From the time that he came to Canada, Colin Sword has taken a keen interest in insurance affairs in this country. He has been active in association and institute work and his counsel has always been appreciated. He has at different times occupied the position of president of the Canadian Fire Underwriters Association, now merged in the Canadian Underwriters Association. He has also been president of the Dominion Board of Fire Insurance Underwriters.

In his spare time he is an amateur photographer of no mean attainments. He plays golf and is not averse to doing a little fishing now and then.

A good debater, his remarks are always concise and to the point, forceful but fair. As an after-dinner speaker he has the reputation of having made some of the best speeches ever made at insurance functions in Canada.

• • •

### *Gibbons' Fortieth*

Just what high jinks the J. J. Gibbons firm will put over next week to celebrate their company's fortieth anniversary we do not know. Five years ago the firm enhanced its "Gibbons Knows Canada" reputation by giving an ovation to its president over a coast-to-coast telephone hook-up. Those who "listened in" heard the bagpipes playing "Hail to the Chief."

That Scottish touch was appropriate.

One of Mr. Gibbons's most outstanding advertising successes in the early days was the Scottish Highlander, who became almost a national figure in his rôle of No. 1 salesman for the Tillson Oats Co., which, under Mr. Gibbons' able leadership, tackled the job of competing with American-sponsored Quaker Oats. The campaign started with an original allotment of $700 in Toronto papers.

J. J. GIBBONS

• • •

This is how Mr. Gibbons tells the story in the Thirtieth Anniversary Number of Marketing:

"The copy slant was vigorous. The slogan was 'A Food not a Fad!' An early advertisement, I remember, had this pungent paragraph:

> "'Tillson's made oatmeal in Canada when Yankee food faddists were making dyspeptic stomachs in the States by eating pie and fried pork for breakfast . . . Shall Canadians be fed upon the medicated fads of a nation that lost its own stomach because it lacked the wisdom and taste to eat Scotch-Canadian porridge?'

"There were a dozen new foods, mostly American, on the market, all threatening to swamp us," Mr. Gibbons explained. "They had to be met and routed at one charge. Hence the slogan 'A Food not a Fad,' and a copy slant that put them all in one class. The Scotsman character awakened a response all over Canada, including Quebec, where the friendship of the French for the Scot is traditional. Following the campaign in the dailies, we transferred to posters and street cars. This permitted the use of color.

• • •

"The Highlander was next introduced in a series—hunting, fishing, snow-shoeing, skating, and finally, despite his 70 years or so, tobogganing. He became prosperous, entered politics, delivered a speech in the House at Ottawa, Sir John A. Macdonald and his Scotch colleagues being admiring hearers. Later, he developed a philosophical trend of thought. Illustration was confined to head and shoulders and a series of six-inch by one-column advertisements showed him advising, explaining, warning, remonstrating, and so on. He became a national figure, his heroic stature in colors on posters contributing much to that result. The milling capacity of Tillson's was doubled shortly after the opening of the campaign and further additions were made later.

"The spectacular sight of a small Canadian mill standing up to the American 'octopus' caught the popular imagination and inspired numerous editorials in Ontario dailies. Eventually the Ontario millers formed the Canadian Cereal and Milling Company, of which Tillson's became an important unit. The interesting duel ended when Tillson's was bought out by the American Cereal Company at a figure entirely satisfactory to Mr. Tillson."

• • •

We hope those who are planning the complimentary luncheon to Mr. Gibbons next week revive this famous Scotsman. We would like to have a look at him again.

At the luncheon, incidentally, it is planned to present Mr. Gibbons with an illuminated address. The purpose is to honor one of the two men who have been at the head of their advertising agency longer than any other agency principals in North America.

Mr. Gibbons established himself in business in Toronto in 1898. Only one other agency principal (H. G. Humphrey of Boston) has been continuously at the head of his own agency organization for as long a period.

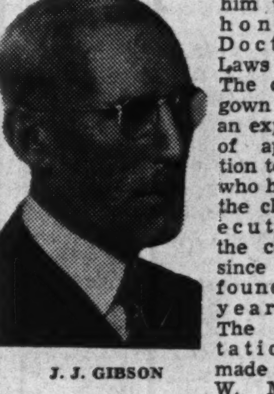
Incidentally, Mr. Gibbons was born in Boston; was moved to Canada as a youngster by his parents.

### *Cap and Gown*

Had you visited the head office of the Chartered Trust and Executor Co. about 10 o'clock the other morning you would have had something of a shock.

Gathered on the main floor were the company's entire head office staff, while at the far end stood vice-president and managing director, John James Gibson, replete with academic cap and gown.

Later that same day the University of Toronto honored Mr. Gibson by presenting him with an honorary Doctor of Laws degree. The cap and gown were an expression of appreciation to a man who has been the chief executive of the company since it was founded 31 years ago. The presentation was made by E. W. McNeill, secretary of the company for nearly 20 years.



J. J. GIBSON

• • •

Since 1925, Mr. Gibson has been a member of the Board of Governors of the University of Toronto; since 1907 a member of the Barrie School Board. His Barrie connection goes back to the turn of the century when for six years (1901-1907) he was treasurer of the Barrie Tanning Co. He is still a director.

Original name of the company he now manages was Titles & Trust Co. It was founded in 1905 by the Hon. W. A. Charlton, father-in-law of Mr. Gibson. Mr. Charlton was president of the company from its inception until his death in 1930.

• • •

A few months ago its shares were listed on the Toronto Stock Exchange. It will be easy for the company to handle any transactions which come through because the largest and most profitable department of the company's business is its transfer agency. For nearly 15 years it has operated the Toronto Stock Exchange clearing house. Originally it handled only industrial stocks, then, on the merger of the Standard and Toronto exchanges, mining shares were added. More recently it has taken over the Unlisted Department and also the handling of bonds.

Curiously enough, when Chartered Trust took over this business it was not held in very high esteem. The Toronto Exchange account was bandied about among at least two Toronto trust companies before finding a home with Chartered. The others were apparently glad to get rid of it at that time.

• • •

Mr. Gibson was born at Wroxeter, Ont., 63 years ago. His early education was at the Harriston High School, then Harbord Collegiate, Toronto. He graduated from University of Toronto in 1900.

## Stop Me If . .

She: "The Brownes must be awfully rich, judging from the clothes they wear."

He: "Oh, one can never tell. Some of the most gorgeous flowers have not got a scent."

# National Monday Holidays

Halifax Chronicle

The Financial Post some months ago advanced the suggestion that Canadian statutory holidays should be celebrated on Mondays rather than on whatever day through the week their particular dates happened to fall. The suggestion was endorsed enthusiastically by many newspapers throughout Canada and the pros and cons have been thoroughly aired.

Labor Day, of course, is always a Monday holiday and the long week end it provides proves a welcome opportunity for thousands of Canadians to enjoy a change of scene and a welcome diversion from their workaday routine. It has been suggested that other holidays such as Victoria Day, Dominion Day, and Remembrance Day should all be celebrated on Monday. To objections that the particular date has a significance, it is pointed out that such holidays as Good Friday and Easter Monday lose none of their significance because the calendar date varies from year to year.

The demand for Monday holidays has begun again with renewed vigor as the result of the Thanksgiving holiday which was such a happy week end for many Canadians. Most parts of Canada enjoyed perfect weather and the long week end was a period of exceptional enjoyment for thousands. It was a Monday holiday, of course, and this contributed greatly to its enjoyment. All in all it was, as The Financial Post declares, a most potent and convincing argument toward having other holidays celebrated on Monday.

The Post and the Winnipeg Free Press agree that Canadians should make clear their wishes to their members of Parliament who can press the government to have the necessary legislation prepared. The Post urges immediate preparation of such legislation.

There is certainly enough evidence of support to justify some discussion of the change in Parliament. Then, if there are objections worth noting, they can be presented. But, because of the widespread support the suggestion has aroused it seems more likely that the legislation would pass with little difficulty.

### Holidays on Monday

Newmarket Express-Herald

Only one argument has yet appeared in any press comment against The Financial Post's proposal that all holidays (except Christmas and New Year's) be made to fall on a Monday. It is that there is a sacredness or a sentiment, associated even with national dates of secular origin, that must not be violated.

But how true is this?

There has been no hesitation on the part of the country to select an arbitrary date in June to celebrate the birthday of our sovereign, a birthday that actually falls in December.

The demand for the Monday holiday is growing, the press from one end of the country to the other being almost in full accord.

# The Bren Gun Enquiry

### A Bren Discovery

St. Catharines Standard

One thing the Bren gun enquiry has so far shown as remarkable is how little is known by some men commonly believed to know a great deal.

### Wide Public Interest

Sherbrooke Telegram

When Colonel George Drew published an article in Maclean's Magazine with reference to Major Hahn's activities in connection with the Bren machine gun contract, there was a tendency to minimize the importance of his criticism as being political propaganda.

Evidence submitted before the Davis Commission has shown very clearly that certain phases of the negotiations leading up to the placing of the contract were open to suspicion.

Just why an expense account, accompanied by vouchers, should have been recalled by the company is yet to be explained. This account included over $5,000 for Plaxton & Co., and, although recalled owing to an error, was never resubmitted to the Government.

There may have been the need for urgency but it also appears as though there have been indiscretions which assume considerable importance when they refer to armaments under direct control of the Government. The findings of the case will be awaited with interest.

### The Bren Enquiry

Brantford Expositor

While Mr. Justice Davis can be trusted to make a full and impartial report regarding the letting of the Bren machine gun contracts, and while it would be unfair to express any judgment until the enquiry is completed, Canadians who have been following the evidence can scarcely restrain their surprise over certain revelations. Already the enquiry would appear to have justified itself, because it will remove once and for all the atmosphere of doubt that has surrounded the whole business.

A surprising feature of the evidence was that of Major-General L. R. La Fleche, Deputy Minister of National Defence, who testified that he assumed "entire responsibility" for the contract. It does seem a strange state of affairs under democratic government that a deputy minister could make such a statement, practically excluding the minister of the department. Apparently Justice Davis felt constrained to comment on some of the evidence.

It is proper to ask the question, "Since when has it become the practice for deputy ministers to assume entire responsibility in making contracts of such national importance?" Enough has been revealed in this enquiry to excite the keen interest of the public in the whole affair, and they will await the report of Justice Davis with considerable eagerness.

### Just For the Record

Ottawa Journal

The witness is Hon. Ian Mackenzie, Minister of Defence, the cross-examiner I. F. Hellmuth, K.C., the scene the Bren gun enquiry. This dialogue took place, according to Ray Richards, the experienced shorthand reporter of The Journal:

> Mr. Hellmuth: "Then Mr. Plaxton, who you say was very anxious to obtain a factory in his own riding, and your Deputy Minister were your sole informants of any experience he (Major Hahn) had had?"
>
> "Yes."
>
> "From that date until after this article appeared in Maclean's Magazine you had personally made no enquiries as to either the associates, the group behind him or his business experience in such a manufacture?"
>
> "Certainly not."
>
> "You did know there were half a dozen, at least, firms in Canada who had been actively engaged in the manufacture of precision steel?"
>
> "In a general way."
>
> "Firms that had had a long experience and were employing skilled labor in that respect?"
>
> "Yes."
>
> "There was never the slightest effort to interest or invite any of those firms to tender or to make an offer to manufacture Bren guns?"
>
> "No, I don't think there was. I don't think any steel company in Canada knew the slightest thing about the production of Bren guns."
>
> "But there had been firms in Canada who had been doing very delicate steel operations for a great number of years?"
>
> "I presume so."
>
> "You are still in the dark as to who these associates are and the group behind Hahn?"
>
> "I think we all are."
>
> Mr. Hellmuth: "I agree with you there. Did you know or learn of the company Major Hahn had control of?"
>
> "Only in a general way."
>
> And further—Mr. Mackenzie still a witness, Mr. Hellmuth cross-examiner:
>
> "You didn't give anybody else a chance?"
>
> "Nobody else asked for it. We have helped out National Steel Car of Canada very substantially in the same way. They are getting orders from Great Britain."
>
> Mr. Hellmuth: "You never did approach in any manner or in any way to see what anyone of those half dozen or more well-known companies with skilled mechanics who had been working in precision steel—no offer was made of any kind to see what they could do?"
>
> "No."

How should this be read? Perhaps in conjunction with a statement made to the House of Commons on April 2, 1937, by Prime Minister Mackenzie King. Mr. King was explaining the attitude of the Government on war contracts, said:

> "At the present time, in a time of peace, the Government is proceeding on the theory of permitting competition with reasonable remuneration, the work to be subject to inspection and audit."
>
> "Permitting competition."

Comment would seem to be superfluous.

*Week in Business*

# Canadian Recovery Now Lagging Behind U. S. A.

## But Grounds for Solid Satisfaction Seen in Recent Business Expansion in Both Countries—Carloadings Rise Above Last Year's Level

Those impatient observers who are disappointed with the moderate pace of Canadian business recovery just now should remember a year ago. Then all Canada was beginning to congratulate itself on the fine way we were ignoring the deepening slump in United States. This slump, eventually did pull us down a little but not within 50% of the decline experienced across the line.

Now conditions are reversed. United States is enjoying the sharpest comeback ever recorded, though it is not yet quite sufficient to bring the general business level up to that ruling a year ago. Because we did not recede to anything like the extent that our neighbors did we can hardly expect to forge ahead as rapidly, now that the pendulum is swinging in the opposite direction.

There is no doubt, however, that we are again moving the right way. Revised business indices for September and preliminary ones for October do indicate advancement. For the first time since away back in January carloadings have risen above the total for the corresponding period, in 1937. True most of the gain has been in grain and ore. Other lines and especially the significant L. C. L. merchandise loadings are still running moderately to considerably below a year ago. In recent weeks, however, the pace all through has been improving with volume of manufactured goods in transit beginning to perk up. Since the beginning of October there has been a steady increase in the movement of these goods westward in response to the new purchasing power in the Prairie Provinces.

Other significant business barometers are electric power output and employment. In both respects gains have been registered since the beginning of fall.

* * * *

Early this month current business level in United States for the first time this year should rise above the corresponding period a year ago. Although actually this will mean very little because last year a sharp depression was in progress, undoubtedly, in a country emotional enough to be scared out of bed by a radio programme, the feat will be regarded with keen satisfaction. Markets, businessmen, politicians will all feel better when they know goods are moving better than in the previous year.

There is, however, really much solid satisfaction in glancing over the American picture for three months back. Over a third of the depression loss has now been regained and before the end of the year should be approaching the three quarters mark. Much of this recovery probably traces to high pressure and temporary Government spending but there is definite indication also that private industry, too, is recovering confidence.

## Business Indicators

**Current business** steady with little change in D. B. S. weekly index throughout October.

**Railway earnings** both gross and net continuing to run substantially above last year's level and cumulative gross promises to exceed that of 1937. Net for year, however, still far behind.

**Carloadings** for first time since January rise above corresponding week last year. Gain, due to grain and ore. First named at best level since 1928, ore at new all time high. Other freight categories, though better than in recent weeks still running below a year ago.

**Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus▲.**

| | Oct. 22 | Oct. 15 | Oct. 8 | Oct. 1 | Oct. 23/37 |
|---|---|---|---|---|---|
| Weekly index, D.B.S. | 108.2 | 109.1 | 109.5 | 106.3 | 105.6 |
| Commodity prices | 74.0 | 74.3 | 74.2 | 74.5 | 84.7 |
| | Sept. | Aug. | July | June | Year Ago |
| Financial Post index | 112.6 | 109.2 | 109.0 | 109.6 | 123.9 |
| Retail trade index no. of sales | .... | .... | 69.6 | 81.4 | 74.2 |
| Dept. store sales " | 77.0 | 74.7 | 75.3 | 74.3 | 79.6 |
| Wholesale index no. of sales | .... | 98.2 | 90.0 | 100.1 | 98.2 |
| Country sales (% of gains) | *3.9 | *0.8 | *4.2 | 1.6 | 5.0 |
| **Employment D.B.S. Index—** | | | | | |
| | Oct. 1 | Sept. 1 | Aug. 1 | July 1 | Year Ago |
| All industries | 116.7 | 115.1 | 112.5 | 113.5 | 125.7 |
| Manufacturing | 112.5 | 113.8 | 110.0 | 111.8 | 121.2 |
| Wage earners, No. (000)▪ | .... | .... | 2,378 | 2,308 | 2,536 |
| Living costs♦ | .... | $17.41 | $17.70 | $17.45 | $17.41 |
| | | | | Jan. 1 to date | |
| **Railways—** | 1938 | 1937 | | 1938 | 1937 |
| Carloadings, week (Oct. 22) | ▲62,030 | 61,349 | | 1,964,020 | 2,128,905 |
| C.N.R. gr. earn., wk. (Oct. 21) $ | 4,630,298 | $ 4,522,175 | | $ 143,749,708 | $ 158,919,468 |
| C.P.R. gr. earn., wk. (Oct. 21) $ | 3,646,000 | $ 3,296,000 | | $ 111,689,000 | $ 115,029,000 |
| C.P.R. net revenue (Sept.) $ | ▲3,651,408 | $ 3,141,712 | | $ 7,330,793 | $ 13,073,941 |
| C.N.R. net revenue (Sept.) $ | ▲2,661,439 | $ 2,342,485 | | $ •2,455,254 | $ 10,527,862 |
| **Iron and Steel (September)—** | | | | | |
| Pig iron production (tons) | 49,972 | 76,180 | | 554,845 | 654,438 |
| Steel ingots and castings prod. (tons) | 73,556 | 114,622 | | 911,005 | 1,077,462 |
| **Automobiles (Number)—** | | | | | |
| Passenger Cars: | | | | | |
| Domestic sales* (August) | 4,591 | 6,344 | | 71,820 | 92,465 |
| Factory output (Sept.) | 4,290 | 1,926 | | 88,728 | 117,816 |
| Trucks and Buses: | | | | | |
| Domestic sales* (August) | 2,613 | 2,730 | | 20,265 | 23,533 |
| Factory output (Sept.) | 1,799 | 2,491 | | 34,978 | 43,855 |
| Exports (Sept.) | 3,460 | 4,002 | | 47,092 | 55,418 |
| Financing (September)— | | | | | |
| Used $ | ▲2,631,355 | $ 2,646,690 | | $ 28,966,564 | $ 28,972,301 |
| New $ | ▲2,245,629 | $ 2,436,106 | | $ 27,477,491 | $ 33,717,544 |
| **Construction—** | | | | | |
| Cons. contracts (October) $ | ▲18,111,000 | $ 20,169,900 | | $ 161,572,700 | $ 196,576,800 |
| Cement, bbls. (July) | 644,000 | 836,669 | | 2,811,885 | 2,936,588 |
| Clay (July) $ | 468,608 | $ 542,545 | | $ 2,032,696 | $ 2,247,378 |
| Gypsum, tons (August) | ▲144,261 | 116,598 | | 619,009 | 619,688 |
| **Agriculture—** | | | | | |
| Flour prod., bbls. (August) | 1,103,037 | 1,042,949 | | 7,542,888 | 8,191,607 |
| Flour exp., (Sept.) | 319,739 | 306,655 | | 2,540,325 | 3,006,934 |
| Wheat exp., bus. (Sept.) | 12,614,858 | 5,903,060 | | 51,912,889 | 64,774,751 |
| Cattle sales (Sept.) | 83,005 | 125,781 | | 470,981 | 590,314 |
| Hog sales (Sept.) | 46,851 | 73,754 | | 456,714 | 670,841 |
| **Sea Fisheries (August)‡—** | | | | | |
| Catch, cwts. | 1,503,750 | 1,534,420 | | 5,571,330 | 5,663,543 |
| Landed value | 3,378,445 | 3,200,660 | | 12,017,662 | 12,579,648 |
| **Newsprint (tons)—** | | | | | |
| Production (Sept.) | 231,940 | 312,220 | | 1,914,660 | 2,736,050 |
| Exports (Sept.) | 195,586 | 308,654 | | 1,719,318 | 2,528,468 |
| **Mining and Oils—** | | | | | |
| Coal prod., tons (Sept.) | ▲1,112,828 | 1,421,383 | | 9,827,615 | 10,846,890 |
| Coal imports, tons (August) | 1,463,919 | 1,776,998 | | 7,930,154 | 9,918,926 |
| Gold prod., fine oz. (August) | 412,135 | 349,108 | | 3,051,081 | 2,672,812 |
| Nickel prod., lb. (August) | ▲16,548,872 | 20,666,636 | | 142,948,144 | 147,946,048 |
| Copper prod., lb. (August) | ▲49,321,991 | 44,549,447 | | 390,978,155 | 330,034,102 |
| Crude pet. prod., bbls. (August) | ▲817,706 | 291,641 | | 4,430,463 | 1,599,185 |
| Crude pet. imp. bbls. (Sept.) | 5,264,600 | 4,380,400 | | 26,558,632 | 27,959,063 |
| **Electric Power Output (Sept.)—** | | | | | |
| Total monthly m.k.w.† | 2,163,645 | 2,204,291 | | 18,938,359 | 20,346,203 |
| **Trade—** | | | | | |
| Imports (Sept.) $ | 56,411,727 | 70,240,465 | | 505,952,759 | 593,018,033 |
| Exports (Sept.) $ | 108,542,466 | $ 95,216,148 | | $ 689,479,864 | $ 834,972,109 |
| **Other Industrial Factors—** | | | | | |
| Dressed lumber, exp.: | | | | | |
| M. bd. ft. (Sept.) | 139,448 | 223,507 | | 1,208,655 | 1,427,399 |
| Boot & shoe prod., pr. (Aug.) | 2,178,202 | 2,321,489 | | 14,751,827 | 16,860,233 |
| Cotton, raw, imports, lb. (Aug.) | 8,265,000 | 5,197,000 | | 79,959,000 | 97,592,000 |
| Raw rubber imp. lb. (Sept.) | 3,146,645 | 5,367,536 | | 38,612,585 | 50,966,814 |
| Cigarette cons. (Aug.) No.† | 668,798 | 663,989 | | 4,539,360 | 4,374,163 |
| Sugar manufactured, lb.§ | ▲96,562,843 | 107,859,853 | | 663,679,817 | 634,134,794 |
| **Finance—** | | | | | |
| Bank debits (Sept.) $ | 2,654,813 | $ 2,736,625 | | $ 22,077,381 | $ 26,253,228 |
| Bond sales (Sept.) $ | 51,267,239 | $ 54,383,706 | | $ 827,025,300 | $ 934,595,071 |
| Life insurance (Sept.) $ | 27,442,000 | $ 27,730,000 | | $ 275,613,000 | $ 281,297,000 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 8, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
♦For average family per week, food, fuel, rent. •Deficit. *Decrease.
▪Estimated in employment.

## C.N.R. Revenue Up Last Month

From Our Own Correspondent

MONTREAL.—Reduction in operating costs made it possible for the Canadian National Railways to report an increase in net revenue in September over the same month a year ago.

Operating revenues for the month were $80,810 lower than in 1937. At the same time expenses were reduced by $399,764 so that net revenue increased $318,954 to $2,661,439. Similar circumstances in August resulted in an increase in net revenue in that month of $101,718.

Cumulative returns for the nine months ended Sept. 30 show a drop in operating revenues of $15.7 millions to $130.3 millions. Operating expenses declined only $2.7 millions to $132.7 millions. As a result there was a net operating deficit in the first nine months, compared with a net revenue surplus of $10.5 millions in the same period of 1937.

Comparative figures are given below:

| Three Months Ended Sept. 30 | 1938 $ | 1937 $ |
|---|---|---|
| Oper. revenues | 17,849,629 | 17,930,439 |
| Oper. expenses | 15,188,190 | 15,587,954 |
| Net revenue | 2,661,439 | 2,342,485 |
| **Nine Months Ended Sept. 30** | | |
| Oper. revenues | 130,237,434 | 146,075,299 |
| Oper. expenses | 132,792,688 | 135,547,437 |
| Net revenue deficit | 2,455,254 | †10,527,862 |

†Surplus.

Faith in Canada's Future

To lend money on Canadian real estate away back in 1855, when this Corporation was first established in business, required more than good judgment—it required faith. The future of Canada was obscure. Never in the years that have followed has that faith wavered. It governs the Canada Permanent policy to-day.

CANADA PERMANENT Mortgage Corporation

Head Office
320 BAY ST. - TORONTO
Assets Exceed $68,000,000

# Rubber Makers Expect Gains Next Six Mos.

## Price Trend for Crude Rubber Means No Inventory Losses

Canada's rubber manufacturing industry should enter 1939 with somewhat better prospects than was the case at the beginning of 1938. The next six months should be a period of some improvement over the comparatively unsatisfactory conditions that have prevailed over the past year.

Beyond this, there appears little foundation for speculation but this should mean that the last quarter of 1938 and the opening months of 1939 will see improved earnings.

One important factor that improves the outlook for the balance of 1938 at least is the recent price trend in the industry's major raw materials, crude rubber and cotton. The last half of 1937 saw abrupt declines in prices for both crude rubber and cotton. For example, No. 1 ribbed smoked sheets fluctuated from a high of 27 cents a pound to as low as 14 cents a pound and ended the year at the low level. Middling cotton, 1 11/16 in. staple, ranged from a high of 17 cents a pound to a low of 9.9 cents.

### No Inventory Loss

This year prices for these two commodities continued at around the level of the year end until about March when rubber in particular dropped to close to 11 cents a pound. December futures were quoted at 10.77 cents in March. By the end of June the December contract had risen to 15 cents and this month has reached well over 17 cents and shows signs of going still higher. At least the rubber manufacturers will probably replace last year's inventory loss with some profit. The matter of price trends in raw materials is favorable from the standpoint of inventory valuations but it has disadvantages. For example, higher rubber prices mean higher costs. Automobile tires, by far the largest single product of the industry, were reduced in price last summer. Contracts with automobile makers are made some time in advance and contracts for the 1939 model year have been arranged on the basis of last summer's lower tire prices. It is therefore possible that the industry's profit margin, already narrow on original equipment sales, will be cut still further.

### Volume Picks Up

Volume is the first consideration for makers of tires and tubes. Production of 1938 model automobiles in Canada has been around 20% to 25% lower than for 1937 models. Plans for 1939 models are, of course, rather indefinite yet but most estimates indicate that production will not be much above that for 1938 models. There is much talk of the greatly accelerated rate of production expected for 1939 model cars in the United States but in that country 1938 production was from 50% to 60% below 1937.

Some Canadian tire and tube makers carry on an important export business. In 1938 this has been down around 25% but prospects for some improvement are regarded hopefully. It is probable that this branch of the business will be at least as good in the early months of 1939 as for the current year. Goodyear probably has the largest stake in automobile tire and tube exports. Dunlop, for example, under the terms of its agreement with the Dunlop Rubber Co. of England confines its activities to the Canadian market only.

Sales of replacement tires have made a considerably better showing, being down only 2,600 tires for the first seven months this year. Prospects for the coming year are regarded optimistically for this line which is a more profitable one than original equipment.

So far as can be learned sales of mechanical rubber goods in Canada this year have been somewhat lower than in 1937, perhaps not quite as much reduced as tire sales, however.

### Footwear Weakens

Rubber manufacturers who obtain a substantial proportion of their volume from rubber footwear have suffered this year more seriously than other branches, largely because of an unsatisfactory price situation. It is suggested, for example, that Dominion Rubber, a large maker of rubber footwear, deferred payment of dividends on its non-cumulative 7% preferred at the end of June on this account. Dominion Rubber and B. F. Goodrich Rubber Co. of Canada are two companies, in which there is public investment interest, making rubber footwear in Canada.

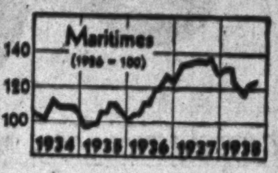
# Autumn Business Pick-up General Through Canada

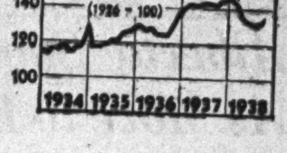
Business expansion was fairly general in the different economic areas of Canada during September. Four of the five regions recorded appreciable gains, the exception being Ontario, where there was a minor decline. The most important increase was in the Prairie Provinces. Electric power output was one of the bright and significant features of the month, gains being reported everywhere except British Columbia. Industrial concerns added to their working forces, after seasonal adjustment, in all areas except Ontario. Gains in bank debits and sales of life insurance were mostly concentrated in the western districts.

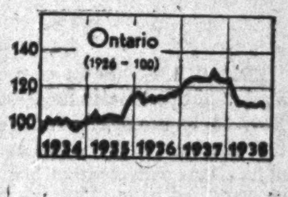
Trend of Business in Economic Areas

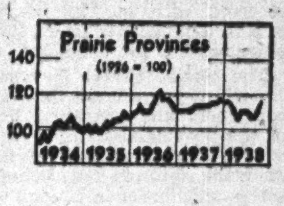
| | Sept., 1938 | Change from Sept., 1937 % | Aug., 1938 |
|---|---|---|---|
| **Maritimes:** | | | |
| Construct. contracts .. $ | 1,806,000 | +156.9 | 2,001,000 |
| Building permits ..... $ | 234,000 | +15.8 | 273,000 |
| Life insur. sales $ 000 | 1,935 | —7.1 | 2,219 |
| Bank debits .. $ 000,000 | 52.4 | —9.8 | 53.3 |
| Elec. pwr. ... 000 kw.h. | 73,088 | —22.6 | 74,100 |
| Employment* | 114.5 | —15.1 | 113.2 |
| Shipping ... tons | 439,679 | —5.4 | 407,377 |
| Exports ... $ | 5,424,288 | —11.6 | 5,835,541 |
| Index | 125.3 | —7.5 | 123.7 |
| **Quebec:** | | | |
| Construct. contracts .. $ | 8,040,000 | +22.8 | 6,750,000 |
| Building permits ..... $ | 1,893,000 | +58.7 | 1,278,000 |
| Life insur. sales $ 000 | 7,226 | —4.8 | 7,824 |
| Bank debits .. $ 000,000 | 804 | —13.2 | 780 |
| Elec. pwr. ... 000 kw.h. | 1,135,865 | +2.5 | 1,085,720 |
| Employment* | 121.6 | —4.5 | 118.1 |
| Imports of cot. yarn, lb. | 254,707 | —48.7 | 280,710 |
| Newsprint prod. .. tons | 231,940 | —25.7 | 220,303 |
| Index | 135.2 | —4.7 | 131.7 |
| **Ontario:** | | | |
| Construct. contracts .. $ | 5,810,000 | —51.2 | 9,927,000 |
| Building permits .... $ | 1,535,000 | —40.2 | 2,832,000 |
| Life insur. sales .. $ 000 | 11,965 | —0.1 | 11,618 |
| Bank debits ... $ 000,000 | 1,023 | —4.5 | 1,073 |
| Elec. pwr. .... 000 kw.h. | 628,387 | —9.0 | 594,097 |
| Employment* | 115.8 | —11.2 | 115.0 |
| Livestock slaughterings* | 143.3 | —8.3 | 129.5 |
| Steel prod. ..... tons | 73,556 | —35.8 | 82,761 |
| Auto. prod. ..... No. | 8,080 | +37.9 | 6,452 |
| Index | 110.5 | —12.9 | 111.3 |
| **Prairie Provinces:** | | | |
| Construct. contracts .. $ | 2,756,000 | +70.7 | 1,873,000 |
| Building permits ..... $ | 1,010,000 | +80.4 | 533,000 |
| Life insur. sales .. $ 000 | 3,913 | +17.4 | 3,778 |
| Bank debits ... $ 000,000 | 591 | +31.3 | 308 |
| Elec. pwr. ... 000 kw.h. | 162,182 | —1.9 | 146,879 |
| Employment* | 113.2 | +5.2 | 112.2 |
| Wheat receipts 000 bu. | 119,592 | +167.4 | 30,129 |
| Wheat prices** | 63/3 | —52.6 | 76/5 |
| Index | 117.1 | +1.4 | 110.7 |
| **British Columbia:** | | | |
| Construct. contracts .. $ | 1,123,000 | +18.2 | 1,562,000 |
| Building permits ..... $ | 606,000 | +2.9 | 876,000 |
| Life insur. sales .. $ 000 | 2,108 | —5.5 | 2,113 |
| Bank debits ... $000,000 | 185.7 | +10.3 | 157.5 |
| Elec. pwr. ... 000 kw.h. | 163,478 | —1.0 | 171,105 |
| Employment* | 111.3 | —5.6 | 112.0 |
| Exports ... $ | 9,398,846 | —26.7 | 8,600,664 |
| Shipping ... tons | 1,000,801 | —2.4 | 1,158,057 |
| Index | 124.2 | —3.5 | 121.2 |

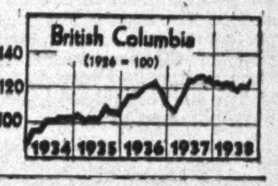
*1926 = 100.
**Cents and eighths of a cent per bushel.











# Background of Business

### *Employment Up*

Canadian employment at the beginning of October registered an advance of more than 1% over the previous month. Compared with a year ago, of course, it is still considerably lower, the index at Oct. 1 standing at 116.7 as compared with 125.7.

By industries, most substantial gains were made by logging, construction, trade, mining and transportation. On the other hand, there was a fractional decline in manufacturing and in employment of persons engaged on communications. In service operations there was a substantial decrease, amounting to 10%.

Improvement in Canadian employment has been noted almost steadily from the first of April, which was the low point of the year, and, incidentally, the lowest point since the spring of 1937. The index has risen from 105 to over 160 in the last seven months.

The manufacturing industry apparently has never really got into its full stride since last fall. Then its index stood around 120, whereas this spring it was down to 110, from which point there has been only moderate improvement since. Mining, on the other hand, has risen almost every month during the last year and, incidentally, for several years before. It opened 1938 with its index at 155 and by Oct. 1 had climbed up to 160.

* * *

### *Tobacco Millions*

Ontario's flue-cured tobacco crop this season will bring growers, mostly located in Norfolk County, approximately $14 millions. At a joint meeting of growers and buyers in Simcoe last week minimum price was fixed at 22½ cents per pound. It is expected, of course, that some of the crop will grade much higher than average, and will bring more than the minimum set, just as, of course, some will grade lower and fetch a cent or two a pound less.

Crop this year is the largest on record estimated at between 60 and 70 million pounds as against 53 million pounds last year. Last year's minimum price was 24½ cents. Tobacco is a very intensive crop, requiring large expenditures for hand labor, fertilizer, curing and special machinery.

* * *

### *Auto Sales*

Sales of new passenger cars in Canada for the first nine months of the current year amounted to 97,796 units, according to the Dominion Bureau of Statistics. This is 20% lower than in the corresponding period of 1937. September sales, while still below that of a year ago, were the closest to the corresponding 1937 month since last spring. Some 9,700 units were sold during that month, with a retail value of $6.6 millions compared with 6,152 vehicles worth $6.6 millions in September, 1937. Bus and truck sales during the same month amounted to 1,879 as compared with 2,229 in 1937. While the figures have been down substantially from 1937 for the year to date, total sales of passenger and commercial vehicles are higher by a substantial margin than in 1936.

September in the automotive world is rather a ragged month as by that time practically no 1938 models were being made and the 1939's were not yet available.

* * *

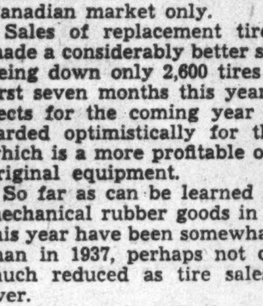
### *More Canned Goods*

A preliminary estimate of stock of canned fruits and vegetables on hand in Canada, based on an October 1 survey by the Dominion Bureau of Statistics, indicates little change in total fruits from a year ago, but some rather substantial increases in vegetables. Generally speaking, carryover was larger, but pack was smaller this season.

Total canned fruit is estimated at slightly larger than a year ago. Biggest increases are in peaches and cherries, but there are declines in pineapples, pears and strawberries.

Canned vegetables show a gain of approximately a million and a half cases, with substantial increases in corn, peas and tomatoes. Corn has increased from 1.6 million cases a year ago to almost 2 million; peas from 1.6 to almost 2.4 and tomatoes from 2.5 million cases to almost 2.9 million. At October 1 the great bulk of these foodstuffs still remained in canners' hands.

**Chilliwack, B.C.**—City tax collections up to Sept. 30 reached the highest total for a number of years. Of the total 1938 levy, amounting to $64,867 payments amounting to $53,843 were paid up to this date. This amounts to 83% of the current levy. Last year collection at the same date represented 82% of levy.



FROM small beginnings, Canada's manufacturing industry has grown to impressive proportions and the growth continues. The capital invested in Canadian manufacturing plants is represented in many instances by bonds and stock certificates engraved and printed by this company.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED
The Old Canadian Company Established 1866
HOWARD W. PILLOW, President
CHARLES G. COWAN, Vice-Pres. & Man. Dir.
G. HAROLD BURLAND, Sec.-Treas.
HEAD OFFICE: OTTAWA
262 Wellington Street
511 Place d'Armes MONTREAL
1110 Montreal Trust Bldg., TORONTO

A WELL BALANCED PROGRAMME
A BANK ACCOUNT
LIFE INSURANCE
LIVING PROTECTION

The properly managed income requires all three. Are you using *all* of them?

The *LIVING PROTECTION* plan of Investors Syndicate offers you the opportunity of building up, easily but surely, a financial reserve against later requirements. And the earlier you start to build that *LIVING PROTECTION* reserve the larger you can rightfully expect it to become, and the more you can reasonably plan to do with it. Write to the nearest agency office for our booklet, "A New Plan of Life".

INVESTORS SYNDICATE
(Established 1894)
RESOURCES EXCEED $125,000,000
Agency Offices of INVESTORS SYNDICATE or INVESTORS SYNDICATE LTD.
at St. John, N.B., Montreal, P.Q., Sherbrooke, P.Q., Three Rivers, P.Q., Ottawa, Ont., Toronto, Ont., Hamilton, Ont., London, Ont., Windsor, Ont., Fort William, Ont., Winnipeg, Man., Regina, Sask., Saskatoon, Sask., Calgary, Alta., Edmonton, Alta., Vancouver, B.C., Vernon, B.C.

## Foreign Business

United States Department of Commerce summarizes foreign trade as follows:

**Argentina** — The customary improvement prior to the new crop season has not yet materialized owing principally to recent European tension and uncertain world grain prices.

**Japan** — Business changes have been slight, although sentiment encouraged by extension of military operations to South China; trading in raw silk is only moderate with futures dull; foreign trade below last year's level.

**China**—Curtailment of crop cultivation in the provinces adjacent to Shanghai has been much less than was anticipated, but foreign trade of Shanghai is still less than half of its previous volume and industrial activity remains at about 30 to 35%.

**British Malaya**—Some progress has been made in trade despite a practical standstill for about 10 days during the European crisis; movement of import commodities was stimulated by the war scare.

**Australia**—Industry and commerce are well maintained despite the complications of the European situation and the country-wide coal strikes.

**Belgium**—Normal activities virtually ceased toward the end of September owing to the European crisis, but at the beginning of October at least temporary stimulation of commercial and industrial activity was expected.

**Germany** — Exports continued in September to be considerably smaller than imports; last year an excess of exports over imports was registered.

## Foreign Exchange

Foreign exchanges during the past week have moved in a narrow range. Sentiment now seems to be that the pound may be stabilized shortly. Canadian dollars on Monday were quoted at 99.31¼ cents in terms of the U. S. dollar.

AT TORONTO AND MONTREAL

| U. S. Dollar | High | Low |
|---|---|---|
| Oct. 31 | 1.00[illegible] | 1.00⅝ |
| Oct. 29 | 1.00¾ | 1.00[illegible] |
| Oct. 28 | 1.00[illegible] | 1.00¾ |
| Oct. 27 | 1.00⅞ | 1.00[illegible] |
| Oct. 26 | 1.00[illegible] | 1.00[illegible] |
| Oct. 25 | 1.00[illegible] | 1.00[illegible] |
| **U. K. Pound** | **Closing** | **Last Year** |
| Oct. 31 | 4.79 | 4.96⅛ |
| Oct. 29 | 4.79⅞ | 4.96[illegible] |
| Oct. 28 | 4.80½ | 4.95[illegible] |
| Oct. 27 | 4.80½ | 4.95¼ |
| Oct. 26 | 4.81½ | 4.95⅛ |
| Oct. 25 | 4.81⅝ | 4.95⅛ |

Other Currencies, Oct. 31

| | | | |
|---|---|---|---|
| Australia | 3.83½ | Italy | .0530 |
| Belgium | .1703 | Japan | .2798 |
| Czecho. | .0347 | Jugoslavia | .0236 |
| Denmark | .2139 | N. Zealand | 3.86⅝ |
| France | .0268 | Norway | .2408 |
| Germany | .4034 | S. Africa | 4.78⅝ |
| Greece | .0088 | Sweden | .2468 |
| Holland | .5481 | Switzerland | .2268 |
| Hungary | .1993 | Hong Kong | .2982 |
| India | .3589 | | |

SECURITIES SHOULD BE SUPERVISED

In a period of frequent fluctuations it is necessary for the investor to have supervision of his list of holdings. Suggestions for investment are available through any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

November Investment Letter

As a medium for the investment of surplus funds, we suggest one of the securities described in our November Investment Letter.

Write for a copy.

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
Ottawa Montreal London Hamilton
Correspondents in New York and London, Eng.

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

To Insure Prosperity at Home Markets Abroad Must be Found

For Hundreds of Millions of Dollars' Worth of Canadian Products

AFTER several years of poor crops in the West, the news of a good one this year was acclaimed all over Canada. It meant production valued at over a quarter of a billion dollars for the grain growers. Big freight business for the railways and steamship companies. Stimulation to trade throughout the Dominion, provided that a market can be found for our wheat crop.

It is one thing to grow a big wheat crop and another thing to find consumers for it. Our own people here in Canada will not be able to use as much as one-third of this year's wheat crop before next harvest time. That leaves us, including last year's carry-over, with 280 million bushels for export or carry-over. With the aid of our trade agreements, the experienced organization maintained by the Canadian Department of Trade and Commerce, the Canadian Wheat Board, and the work of grain exporters it is expected that the crop, that means so much to Canada's prosperity, will be successfully marketed.

Home Market Cannot Consume All We Produce

Wheat is not the only thing we produce in excess of what we consume. While as individuals we may eat frequently and heartily of ham and bacon, our total Canadian consumption is about two-thirds of what our hog raisers produce and our packing companies cure. Of lard, another pork product, we consume about half of what our packers manufacture.

Those bright, rosy apples that Canadian school boys and girls rate so highly! Surely we eat all of those we grow. Not so, we eat only two out of every five of them. We have to find a market overseas for half of our apple crop.

Perhaps you may not think so, but it is a fact that we eat only one-third of that tasty Canadian cheese we make. As for fish—we eat only a third of the fish our fishermen catch.

Export Business Provides Jobs for These Men

If our lumber jacks and saw-mill workers had to depend solely on Canadian consumption of the products of our forests there would be only half as many employed. Our home market takes less than half of the sawn timber we cut and only one-fifth of the wooden shingles our mills manufacture (1936 last figures available). Turning to newsprint, which is made from Canadian pulpwood, our Canadian papers consumed only one-thirteenth of what we made in 1936.

Moving to our mines, what do we find? Take copper: only about one-quarter of the refined copper produced in Canada is needed to supply our domestic requirements. Our home market consumes less than one-seventh of the refined lead we produce, less than one-eighth of the refined zinc, and less than one per cent. of the refined nickel. It is evident that the livelihood of our miners depends principally upon our success in selling our metals to other countries.

Trained Organization Examining Markets

Canada's economic and trade salvation depends upon our ability to find markets in other lands for the hundreds of millions of dollars' worth of products that we are able to produce in excess of our own needs. This is the problem that the Canadian Department of Trade and Commerce continually faces and works on. Its specially trained organization of statisticians, tariff experts and men skilled in commerce, including its representatives in different countries, is constantly examining markets in other countries and when opportunities are seen it aids Canadian exporters in developing them. The extensive "Canada Calling" advertising and selling campaign now being carried on under the Department's direction in England and Scotland is an outstanding example of the work being carried on to enlarge the markets for Canadian products.

Export Trade Produces Work at Home

The more Canadian-built cars and trucks that we can sell to South Africa the more work for Canadians to build them. The more electric ranges, typewriters, washing machines and radios we can sell abroad the more workers needed to make them here in Canada. The more flour, canned goods, pickles, sauces, beverages, shoes, dresses and hundreds of other lines of Canadian products that we can induce importers and consumers in other lands to buy from us the more work for industries and labor—and more prosperity for all of us.

Today some Canadian products go to two or three countries. Other products to from six to twelve countries. Some exporters have been able, with the aid of Department of Trade and Commerce representatives, to find markets for their products in a score or more countries. Canada's aim for the future should be towards greater expansion of her export trade. With the government, the producers, the workingmen and all concerned actively co-operating it should be possible to exceed our best past records and, in doing so, create an increased world-wide respect for the quality of Canadian products and the honesty and fairness of our business methods. 27L

DEPARTMENT OF TRADE AND COMMERCE
Hon. W. D. Euler, M.P., Minister Ottawa J. G. Parmelee, Deputy Minister

# Your Investments

**What We Do:**

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

**What We Don't Do:**

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

*Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.*

## Algoma Steel

Would you please let me know in regard to Algoma Steel: What production of Helen Mines will mean to earnings; what additional earnings can be expected from the tin plant, and how operations in the current year compare with 1937?

It is difficult to estimate what difference in earnings of Algoma Steel Co. will be brought about when production of iron ore starts from the Helen Mine early next year. We are informed that ore from the mine is quite rich in manganese, which will make it a premium ore after beneficiation. It will be particularly suitable for mixing with other ores rather than for use alone.

You will note that it was necessary for the company to obtain a bounty from the Ontario Government before it could proceed with the development of the Helen Mine. We are informed that the company believes it can sell about half of the 300,000 tons of treated ore which it expects to mine from this property at a profit. But use of this ore will not eliminate the necessity for importing other ores from its present sources of supply.

If one can judge by the experience of other makers of tin plate in Canada, the tin-plate mill which Algoma Steel is building should give an important addition to its earning capacity. As a large proportion of this potential output is already contracted for to Continental Can Co. for a five-year period, the company should have little difficulty in showing earnings from this plant. Capacity of tin-plate makers in Canada has been greatly increased over the past few years, allowing for the present Algoma Steel development, and there is a possibility that a scramble for sales outlets will occur.

Last year Algoma Steel was aided by some substantial orders for steel rails, but it is understood that so far the current year, which began May 1, volume of new orders has been rather low. Figures for production of steel ingots and castings to the end of September this year show that 911,005 tons were produced against 1.1 million in the corresponding period of 1937. Production of pig iron at 554,845 tons is down about 100,000 tons, but apparently the rate of decrease was greater in September than in preceding months.

## Price Bros.

I should like you to give me your opinion on Price Bros. What are the possibilities for both the common and preferred stocks?

Though the newsprint industry has not recorded any spectacular change, the situation appears to be strengthening and the belief is general that conditions will be better by the end of the year. Surplus stocks of newsprint paper are declining, while it appears that the manufacturers will be able to hold the price on 1939 deliveries. Up to date, operations and earnings of Price Bros. and Co. have been on a restricted basis. However, the company year ends on March 31 next, so that it should benefit from the expected improvement. In the year ended March 31, 1938, the company showed a net profit, after taxes, interest and depreciation, of $500,229. This was equivalent to $7.96 a share on the preferred and 28 cents a share on the common. It is doubtful if the 1938-39 statement will show as good results.

On the other hand with operations at 75% or better of capacity and with newsprint at $50 a ton, it is believed that the company can show fairly substantial earnings on its capital stock. The dividend on the preferred is cumulative from January 1, 1939, and if the expected improvement materializes, it is anticipated that the company will make arrangements to place the stock on a dividend basis. While neither the preferred nor common can be considered as being in the investment class, still they are attractive speculatively for one who is prepared to exercise a little patience.

## George Weston

What is the outlook at present for George Weston Ltd.?

Earnings of George Weston Ltd. for the six months ended June 30, 1938, increased substantially over those of the similar period in 1937. Net earnings amounted to $254,728 for the six months of 1938 as compared with $195,791 in 1937. Earnings on the common shares were 52 cents and 40 cents, respectively.

It is estimated on the basis of present production, that total sales for 1938 will be about $13.2 millions, as compared with actual sales of $12.2 millions for 1937. Sales for 1936 were $11.6 millions; 1935, $9.9 millions; and 1934, $9.1 millions.

This year the company acquired the assets of Inter-City Western Bakeries, operating a chain of bakeries in the West. The scope of operations thereby covers the Dominion.

The company's bread manufacturing subsidiaries have been operating on a more satisfactory basis than last year, although a drop in bread prices in August will probably make the operations of these companies less satisfactory in the last half of the year. As a result of the acquisition of McCormick's Ltd. in 1937, the bonds of this company are now guaranteed by George Weston as to principal and interest. The funded debt of McCormick's Ltd. was reduced in the current year by $11,000. There is now outstanding $250,000 of prior lien bonds and $1.4 million of 4% sinking fund bonds.

A dividend rate of 80 cents per annum was established on the common stock with a 20-cent quarterly payment on July 1, 1936, and has been paid regularly since.

In view of the estimate of increased sales for the current year, and the increased earnings so far shown, a betterment in profit for the whole year seems highly probable. The biscuit division of the organization is said to be operating satisfactorily.

There has been a tendency in recent years toward stabilization of earnings.

## Goodyear Tire

What is your opinion of the preferred stock of Goodyear Tire and Rubber Co.?

The Goodyear Tire and Rubber Co. of Canada is the largest manufacturer of rubber products in the Dominion. It specializes largely in automobile and truck tires and, therefore, is rather subject to changes in its volume of business directly with automobile production.

This year automobile production has been down about 25% in Canada and it is believed that Goodyear's business has also shown some decrease. Better showing has been made by its mechanical rubber goods division. Exports in which Goodyear is also interested show considerable decrease. Price cuts made this year may hamper earnings growth if present upward trend of rubber prices continues.

The company's preferred stock is somewhat inclined to move in price much in line with interest rates. The annual dividend has always been covered by a wide margin and the company's strong financial position places this preferred stock among the highest grade of Canadian securities.

The common is somewhat more subject to change in price and occasional extra dividends are paid. Last year the company suffered from dropping prices of crude rubber and cotton and this trend continued for the greater part of the current year. Recently, however, prices particularly for rubber have been more firm and there is a possibility that inventory write-down will not be necessary at the end of this year.

## Niagara Wire

What is the position of Niagara Wire Weaving Co.?

The Niagara Wire Weaving Co. paid a quarterly dividend of 25 cents a share on Oct. 1, 1938, a reduction from the previous quarterly rate of 50 cents a share which has been paid regularly since April 1, 1937.

As the largest single market for the company's products is with the Canadian pulp and paper industry, it is probable that sales have shown a considerable decline this year from last year's levels.

The company operates under a patent protection making endless wire screens which are an essential part of Fourdrinier Paper Machines.

In the year ended March 31, 1938, net profit was equivalent to $2.06 a share, a decline from the $2.53 a share earned in the preceding year. The company's financial position is adequate and it is probable that dividend payments will follow fairly closely in line with actual earnings.

## Canadian Dredge

Will you please give me an account of Canadian Dredge and Dock Co. in the current year?

Outlook for dividends for Canadian Dredge and Dock Co. is not considered good. Last July the directors announced that volume of work in sight was disappointing and that they had decided to postpone any dividend action until later in the season. The company's position is relatively unchanged since that time, and it is believed that the directors will meet in a couple of weeks to determine what course of action will now be taken.

The most recent dividend payment on the company's stock was $1 a share on Jan. 31, 1938, and normally the next payment would have been made on July 31. At that time it was stated that one complete dredging unit was engaged in the St. Lawrence and would be until the end of the season, but that volume of contracts on the Great Lakes was comparatively small.

Last year the company paid $2 in dividends and earned $2.03 a share, down somewhat from the $2.12 reported in the preceding year.

## Cub Aircraft

Whatever information you could give us on Cub Aircraft would be appreciated.

Cub Aircraft Corp. has made about 50 planes in first two years of its existence. Next year minimum estimates of production are about 50 planes for domestic trade and 100 for export. We are informed that the company has obtained a new export market which it hopes to find profitable.

Production capacity of the company's new plant will be about 500 planes annually. Its profit margin per plane is around $350 net. Last year the company earned about $1,000 and it has never been in the red. Last year's figure is not very indicative of what might be done if the company's present plans are successful. At the moment it has about $40,000 in cash and only about $4,000 in current debts. An option has been taken on a building for a plant in Hamilton, but consideration is being given to the advisability of constructing a new plant near the Hamilton airport. Cub Aircraft is a comparatively small and new concern attempting to get into a rather competitive field.

"You're a Magician, Burton!"

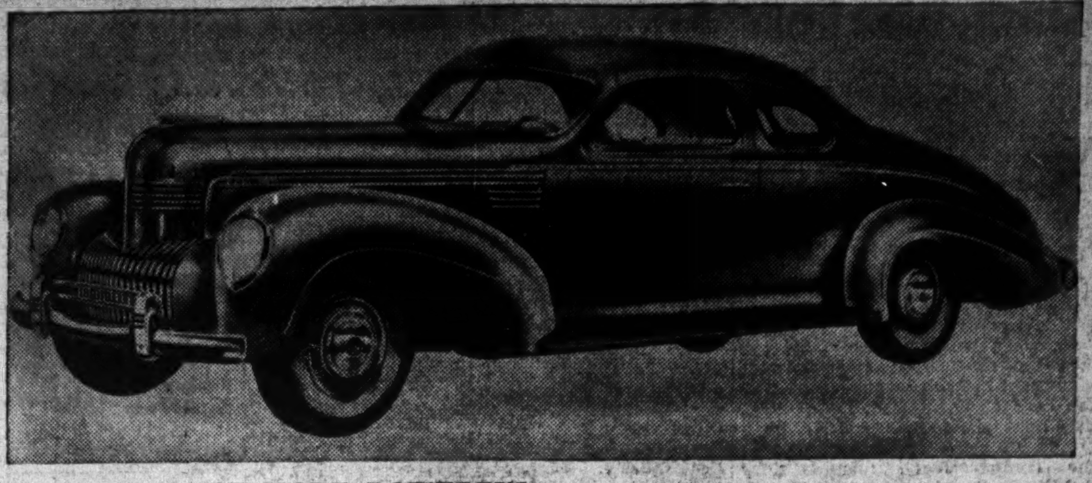
WHY?
I NEVER SAW AN OFFICE STAFF WORKING SO WELL BETWEEN FOUR AND FIVE...HOW DO YOU DO IT?
WE GIVE THEM TEA AT FOUR EVERY AFTERNOON ...SAW IT WORK, SO I TRIED IT HERE.
YES, BUT WHAT ABOUT THE TIME WASTED, THE NOISE AND THE FUSS?
SERVING TEA HAS NEVER BOTHERED OUR OFFICE — IT INCREASED THE STAFF'S EFFICIENCY — NO MORE SLOW DROOPY AFTERNOONS FOR US.
IT SOUNDS GOOD BUT WHAT ABOUT SERVING IT?
THE TEA'S MADE IN A ROOM AT THE BACK AND SERVED RIGHT AT THE DESKS— THE STAFF VALUE THE PRIVILEGE TOO MUCH TO ABUSE IT.
BURTON, YOU'VE SOLD ME AN IDEA!
PROOF!
A LETTER FROM LEVER BROTHERS LIMITED OF TORONTO HAS THIS TO SAY REGARDING THE VALUE OF TEA IN BUSINESS: "OUR EMPLOYEES WELCOME THEIR AFTERNOON CUP OF TEA AS AN AID TO MAINTAIN EFFICIENCY DURING THE CLOSING HOURS OF THE BUSINESS DAY. TEA-DRINKING ALSO IS A SOCIABLE HABIT AND AS SUCH CONTRIBUTES TO THE GENERAL "ESPRIT DE CORPS" OF THE COMPANY."

**A MONTH'S FREE TRIAL**—Write or phone to the Tea Market Expansion Bureau, 2004 Royal Bank Building, Toronto (or to our offices in Montreal, Winnipeg and Vancouver) and we will gladly arrange to serve a cup of tea at four o'clock for one month to your office or factory staff without cost or obligation to you.

Tea revives you

ANYTIME IS TEA TIME

21-39



**CHRYSLERS ARE MORE POWERFUL**

More power, a new transmission, gear shift on steering wheel and extensive body restyling feature the 1939 line of Chryslers. Front seats are wider and floorboard in both rear and front compartment is level. Above is shown the Chrysler Royal coupe.

# Alberta Special Session Seen As Move to Keep M.P.'s Happy

From Our Own Correspondent

EDMONTON.—News of a special session of the Alberta Legislature on Nov. 15 to strengthen and enlarge the powers of the petroleum and natural gas conservation board, was received with surprise in political circles. Enquiries revealed there are other reasons for the move.

The Social Credit Government's "interim" programme for bonusing consumers and operating branches of the provincial treasury throughout the province has so far had doubtful status in law, being based solely upon order-in-council and not statute. The special session, it is expected, will provide statutory validation for the programme, and perhaps appropriate further funds for it. The sum of $200,000 is being used now, obtained by special warrant.

A report gaining circulation is that the Aberhart Cabinet has been reviewing carefully its political situation recently, and finds it not promising. The Cabinet is reported to be talking a general election for early next spring.

The general election would likely come before the visit of the King and Queen to Alberta, and certainly before the federal election now expected generally in the fall.

Political opinion generally has begun to view the special session craze of the Aberhart Government as a method of bonusing private members. They will get a substantial special indemnity, no doubt, which will be welcome just before Christmas.

The political value of a special session involves numerous possibilties. The Social Credit consumer-bonus campaign has been so dead thus far that unless it gets a legislative shot-in-the-arm, Mr. Aberhart will have to write it off as a loss. Prior to the current experiment, growing unrest was evident among Social Credit followers of the Government. This dissension may break into the open soon.

This situation suggests that the reason for the Nov. 15 special session is the same as for those in 1936 and 1937, that is, for the purpose of raising the devil to keep the private members happy.

### Dissenting Faction

The fact that a dissenting faction has again developed in the Aberhart following is confirmed in the report that a group of 11 M. L. A.'s have been negotiating for acceptance in the C. C. F. This group, all progressives of an older school than Aberhart's flossy new monetary doctrines, have been turned toward the C. C. F. since that party made gains in Saskatchewan last June. George Williams, M.P.P., Saskatchewan C. C. F. leader, recently toured Alberta, and the rebel Social Credit group will undoubtedly secure acceptance in the C. C. F. in time.

Whether this new insurgent group will make the break with Aberhart in November is not known.

The main reason turning Aberhart's thoughts to a general election is that a federal election will undoubtedly wipe out the band of 17 Social Credit federal members (two from Saskatchewan) that went to Ottawa in 1935. Mr. Aberhart wants to save what he can in the provincial ridings before the federal election sweeps out the M.P.'s.

Our November Investment Booklet

CONTAINS a Review of General Conditions as well as a Selected List of Dominion, Provincial, Municipal and Corporation securities. Kindly write or telephone WAverley 3681.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

SAFETY DIVERSIFICATION MARKETABILITY YIELD

A COMFORTABLE FORTUNE

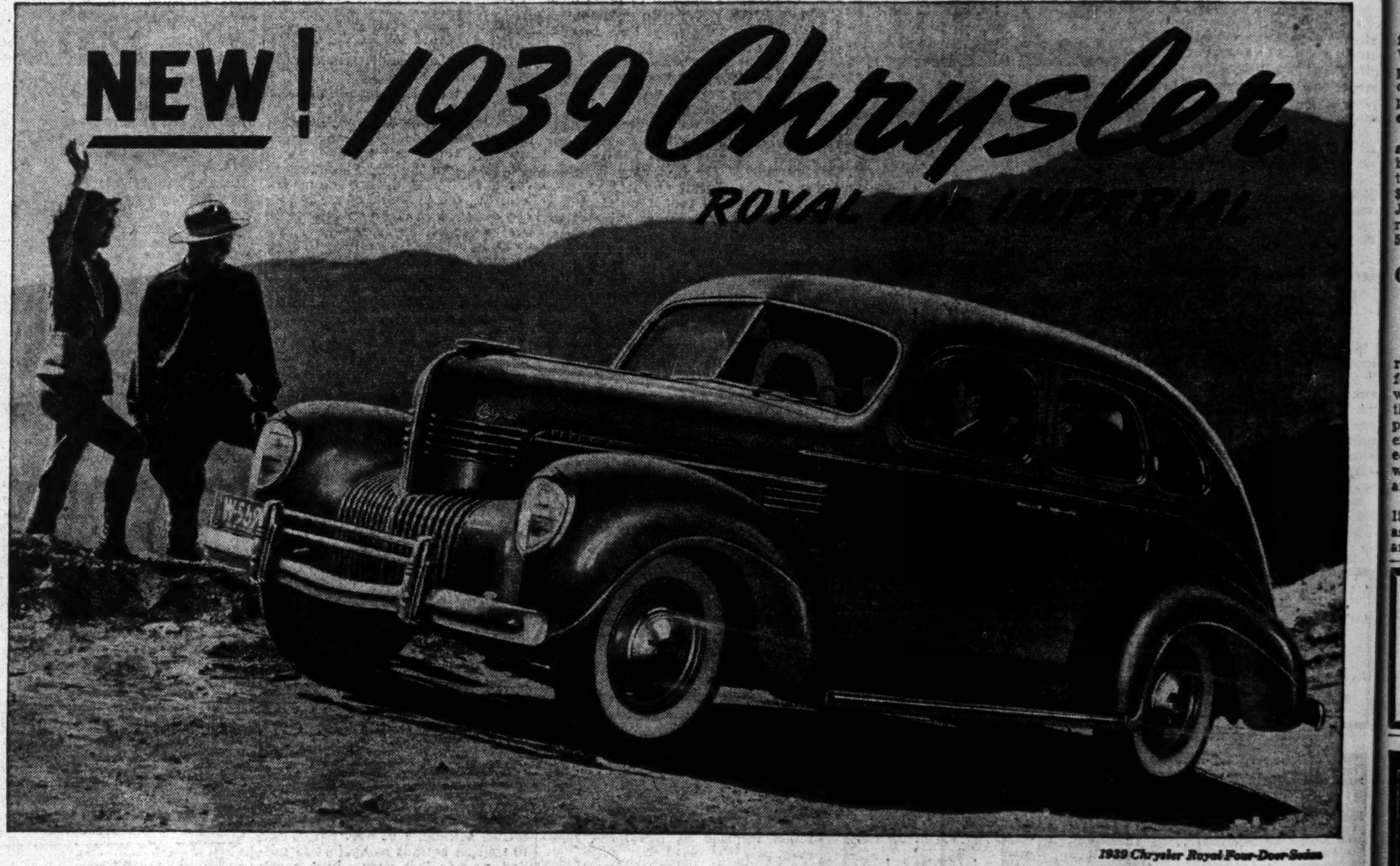
In the long run, investment, as a rule, is more productive of returns than speculation, for the speculator too often finds that his losses out-balance his gains. Anyone, man or woman, even though possessed of moderate means, can build up a competence and even a comfortable fortune by steady investment of surplus and reinvestment of interest.

•

You are invited to discuss your investment account with us.

LAURENCE SMITH & CO. LTD.
INVESTMENT SECURITIES

VANCOUVER Royal Bank Bldg.
TORONTO Canada Permanent Bldg.
VICTORIA Arcade Bldg.



1939 Chrysler Royal Four-Door Sedan

NEW! IN STYLE...BEAUTY...COMFORT... SAFETY...PERFORMANCE AND VALUE!

**NEW! ADVANCED AIRFLOW STYLING!** Chrysler pioneered modern streamline design in the Airflow . . . now brings it to new, modern style and beauty . . . permitting great interior roominess in the most luxurious, most dynamic Chrysler ever to take the road.

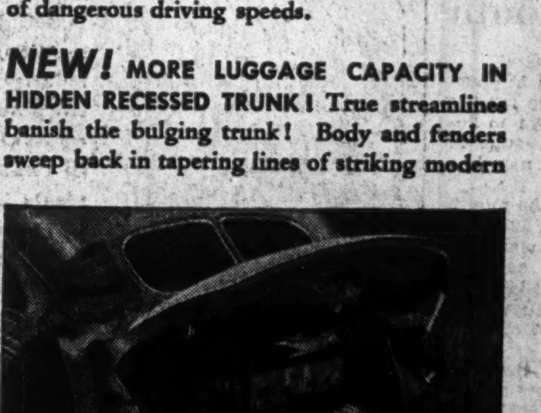
**NEW! BODY 4" WIDER : : : MORE SPACE, GREATER COMFORT!** Chrysler's already roomy body is now 4" wider at the windshield! Seats are literally as wide as divans. Up to now, roominess has been merely relative . . . some cars gave a *trifle* more than others. Here is a car so roomy you *feel* its spaciousness the moment you enter it!

**NEW! HANDY-CONTROL GEARSHIFT!** The gearshift lever is now off the floor and on the steering column . . . convenient to reach and much easier to operate. There is nothing new to learn — the gearshift positions are as they were with the conventional gearshift lever. Simple . . . safe . . . clashless . . . quiet . . . sure! A great modern advancement.

**NEW! *DUAL-POWER OVERDRIVE TRANSMISSION!** Now the economy of overdrive is available for city driving. Cuts in at 23 to 28 miles per hour. New Kick-Down feature provides instant and automatic return to conventional gear for quick pick-up in passing other cars or when power is needed for hills. A new driving thrill . . . a big economy feature!

**NEW! PLASTIC INSTRUMENT PANEL AND "SAFETY SIGNAL" SPEEDOMETER!** Modern chemistry makes possible the gorgeously beautiful instrument panel. Control buttons are recessed for safety. The speedometer signals at night in different coloured lights to warn you of dangerous driving speeds.

**NEW! MORE LUGGAGE CAPACITY IN HIDDEN RECESSED TRUNK!** True streamlines banish the bulging trunk! Body and fenders sweep back in tapering lines of striking modern beauty. Yet the luggage compartment — opened from the rear — has 27% more carrying capacity than ever before!



27% more carrying capacity than ever before—yet this new luggage locker does away with the former trunk "bustle". A beautiful new rear panel design has been achieved.

**NEW! POWER : : : HANDLING EASE : : : SAFETY : : : ALL AT A NEW CHRYSLER HIGH!** Greatly increased horsepower . . . coupled with modern economy of the *Dual-Power Overdrive Transmission! Steering and gearshifting of feather-touch ease. Chrysler's famous hydraulic brakes and Safety *All-Steel* Body. Every great Chrysler engineering feature is yours in the new Chryslers for 1939.

● See and drive a great new Chrysler at your nearest Chrysler-Plymouth dealer's. You will find it a thrilling, new experience. Why not take a trial Chrysler-drive today?

*Standard on Custom Imperial. Available on Chrysler Royal and Imperial at slight extra cost.

1939 CHRYSLER ROYAL
*100 Horsepower. 119-Inch Wheelbase.*
1939 CHRYSLER IMPERIAL
*130 Horsepower. 125-Inch Wheelbase.*
*Also Chrysler's famous* CUSTOM IMPERIAL *in five and seven passenger sedans and limousines.*
TUNE IN on Major Bowes, Columbia Network, Every THURSDAY . . . 9 to 10 p.m., E.S.T.

ROYAL LEADERS OF THE KING'S HIGHWAY!

**Pulp and Paper Industry**

# Great Northern Maintains Price On Newsprint; Way is Cleared

From Our Own Correspondent

MONTREAL.—Maintenance of its present price schedule, namely, $48 a ton, by Great Northern Paper Co., is taken to mean that the Canadian operators and certain of the American manufacturers, notably International Paper, will continue the $50 a ton price on 1939 deliveries.

The Financial Post earlier intimated that the Canadian producers would not announce their price schedule for 1939 until after Great Northern Paper had made public its price. In years past, International Paper has taken the lead in setting the new price. Last year the 1938 rate was announced during the first half, with the result that Great Northern and other companies sniped at the price. In holding off this year, the supporters of the higher price policy have protected themselves against a repetition of this.

As far as can be learned the Canadian operators have not yet announced their price for 1939; but there is every reason for believing that the schedule will remain unchanged. Practically all of the producers favor a continuation of the present policy.

The price for 1939 has not been settled by the Canadian operators, but Great Northern's action will speed up the determination of policy. Further, it is to be expected that the companies will follow the practice of not making any public announcement, proceeding with the signing of new contracts and allowing the "news" to break in the ordinary way.

## Westminster Paper Adding $40,000

### Will Extend Converting Plant — Sales and Earnings Expand

From Our Own Correspondent

MONTREAL.—Westminster Paper Co. is proceeding with the erection of a three story reinforced concrete addition to its plant at New Westminster, B.C., to cost approximately $40,000. The additional space will be used to provide increased facilities for the converting plant.

During the past six years Westminster Paper spent more than $160,000 on additions and improvements, including the addition now under way. For the like period dividends were maintained at 40 cents a share on the common stock with an increase to 50 cents per annum with the semi-annual payment of 25 cents a share made May 1, 1938. The second 25 cents a share payment was made on November 1.

**Earnings Move Ahead**

For the half year of the current fiscal year ended January 31 last, Westminster Paper reported net profit of $23,130 after bond interest, depreciation and taxes. This compares with $29,685 in the full year ended July 31, 1937.

As further reflection of its expansion in business, the company has been able to reduce its funded debt to $204,500. Of the latter amount $74,500 was held as sinking fund at January 31, 1938, plus $5,472 in cash, reducing net debenture debt to $124,500.

## German Buyers Contract For Maritime Pulpwood

From Our Own Correspondent

MONTREAL.—German buyers are reported to have signed contracts for a large quantity of New Brunswick pulpwood. Expectations are that the total shipments from the province during the coming year will exceed those of 1937, which amounted to approximately 400,000 cords, with a value, loaded on ships, of around $4 millions.

Prices the Germans will pay in 1939 are said to be about the same as those on the 1938 contracts, which are now being completed.

JAMES W. SEWALL
*Timber Cruises and Valuations*
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ont.

SHIPMAN BOXBOARDS
LIMITED
Hamilton, Ontario
CORRUGATED SHIPPING CASES
*Inquiries Solicited*

ANGLO-CANADIAN
PULP AND PAPER MILLS
LIMITED
*Manufacturers of*
NEWSPRINT PAPER
CAPACITY: 600 TONS DAILY
OFFICES and MILLS at QUEBEC CITY
Direct Connection With Both Canadian Railways
Privately-owned Wharf on Tidewater

FRASER COMPANIES LIMITED
FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED
*Manufacturers of*
LUMBER SULPHITE PULP PAPER BOARD
GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP
*Executive Office:* Dominion Square Bldg., Montreal, P.Q.
*General Office:* Edmundston, New Brunswick

## Consolid. Paper Profits Estimated

From Our Own Correspondent

MONTREAL. — Present indications are that Consolidated Paper Corp. will show earnings of between $2,750,000 and $3,000,000 as available for bond interest and depreciation as a result of operations this year. During 1937 the company showed net operating profit of just under $4.2 millions.

There is no official confirmation of this estimate; the calculation is based on the general operating ratio of the industry, change in costs, etc.

## Rolland Paper Co. Sales Show Increase

From Our Own Correspondent

MONTREAL. — Sales of Rolland Paper Co., manufacturers of fine papers, have recently shown improvement.

During the latter part of 1937 and the first part of the current year demand for fine paper fell off sharply. However, there has been a marked increase recently and sales of Rolland Paper are now running ahead of this time a year ago. Results in September were favorable.

While the outlook for the remainder of the year is favorable it will not be possible to regain all the ground lost in the first part of the year. Earnings for the year to date are below the same period of 1937. No information is available as to actual earnings but it is not likely the company will earn its common dividend in full.

## Mechanical Pulp Orders Show Strength in States

From Our Own Correspondent

MONTREAL. — More orders are reported in the United States as being received for mechanical pulp and this has resulted in an increase in the price of No. 1 domestic and Canadian pulp, which is currently quoted at from $29 to $33 a ton, according to the Paper Trade Journal.

The trend of prices in all grades of chemical pulp is uncertain and this market may be characterized as irregular so far as the current price situation is concerned. Consumption is reported increasing and a slight improvement in the volume of orders is reported for the past week. Gradual improvement is looked for in the trade as the general business situation continues to improve.

## Robert Gair Co. Loss Is $37,947 for 3 Mos.

Consolidated profit and loss statement of Robert Gair Co. and subsidiaries for the three months ended Sept. 30, 1938, shows a loss of $37,947 after allowing for income, note interest and all charges. This compares with a net profit of $179,525, equivalent to 7 cents a share on the common stock, for the corresponding quarter of 1937. In the three months ended June 30, 1938, the company's net loss was $49,734.

For the nine months ended Sept. 30, 1938, a net loss of $73,635 has been reported after all charges. This compares with a net profit of $851,455, equivalent to 75 cents a share on the 574,613 common shares, for the first three quarters of 1937.

Sorting, Barking the Logs—a First Stage in Pulp Making.

## Abitibi Net Earnings May Reach $3 Millions

With cumulative monthly earnings of $1.9 million for the first nine months of 1938, Abitibi Power & Paper Co. now appears certain to exceed by a good margin its 1936 earnings of $2.1 millions for the full year.

Estimated shipments of newsprint for October are placed at 29,000 tons, a new high level for this year, and it would appear reasonable to count on about another $1 million in net earnings for the last quarter of this year. This would bring the year's earnings, before depreciation and bond interest but after allowing for interest on receiver's certificates, to around $3 millions. This would compare with actual aggregate monthly net earnings of $4.7 millions for 1937.

**Earnings Trend Better**

A feature of the company's operations has been its ability to show substantially larger earnings on the reduced scale of operations than would have been expected from results of past years. In September this year, Abitibi shipped 26,741 tons of newsprint. Without allowing for shipments of bleached sulphite, the last previous period when shipments were approximately the same as for the latest month was in March and April, 1936, when net earnings were $104,468 and $166,316 respectively. Of course, much of this better comparative showing is caused by the higher price per ton now being received for newsprint, but a good share of it is probably due to more efficient operations.

Trend of earnings has been encouraging since July, each month since then giving higher output and earnings. In fact it would not be too much to expect December earnings for Abitibi would exceed the $280,822 reported for the last month of 1937.

Comparative details of earnings and shipments, as reported by G. T. Clarkson, receiver and manager, follow.

**Monthly Earnings**

| | 1938 | 1937 | Decr. |
|---|---|---|---|
| | $ | $ | % |
| January | 114,219 | 336,972 | 66.10 |
| February | 77,469 | 262,894 | 70.53 |
| March | 140,258 | 335,218 | 58.16 |
| April | 181,932 | 362,653 | 49.83 |
| May | 285,265 | 406,145 | 29.76 |
| June | 331,067 | 394,169 | 16.01 |
| July | 256,843 | 522,580 | 50.85 |
| August | 250,338 | 500,669 | 50.00 |
| September | 300,225 | 417,269 | 28.05 |
| | 1,937,616 | 3,538,569 | 45.24 |

**Newsprint Shipments**
(Short Tons)

| | 1938 | 1937 |
|---|---|---|
| January | 18,058 | 35,545 |
| February | 16,004 | 29,338 |
| March | 18,239 | 34,628 |
| April | 22,001 | 36,321 |
| May | 25,412 | 40,223 |
| June | 27,493 | 39,671 |
| July | 22,960 | 42,532 |
| August | 24,545 | 42,736 |
| September | 26,741 | 44,928 |
| | 201,453 | 345,922 |

Note:—October shipments of newsprint will be about 29,000 tons, it is indicated.

**Shipments of Bleached Sulphite**
(Short Tons)

| | 1938 | 1937 |
|---|---|---|
| January | 2,150 | 5,392 |
| February | 1,937 | 5,125 |
| March | 2,135 | 5,897 |
| April | 2,841 | 5,458 |
| May | 3,000 | 5,411 |
| June | 2,142 | 5,564 |
| July | 2,667 | 5,797 |
| August | 3,244 | 5,516 |
| September | 3,274 | 4,847 |
| | 23,390 | 49,007 |

Note: — October shipments of bleached sulphite will be about 3,500 tons, it is indicated.

## Munition Orders May Disappoint Canadians

From Our Own Correspondent

LONDON, Eng. — Under present conditions and despite the decision of Great Britain to proceed even more vigorously with its re-armament programme, it is not expected that further substantial munitions orders will be placed in Canada in the near future.

This applies to guns and shells rather than to airplanes and other more diversified armament supplies.

The view taken here in official circles, is that due to the slowing down of business the Government is now able to get all the supplies necessary from domestic plants and without delay. Accordingly, were the British Government to place more orders in Canada it would be subject to criticism, from firms at home who are actually laying off men.

**Two Orders so Far**

Apart from machines, tools and lathes, only two major orders have so far been placed in Canada. One was the Bren gun contract placed with the John Inglis Co. through Major James Hahn. The other was to the National Steel Car Co.

National Steel Car has now practically completed production of shells in its initial order. At the present time it is seeking additional business. Whether that will be forthcoming remains to be seen but the inclination here in regard to production in a country like Canada is to pick one or two firms like National Steel Car, concentrate all its business on them rather than to give small orders throughout the country.

**Educational Orders**

These small or "educational" orders present very real difficulty. The object is, of course, to decentralize British munitions industry as far as possible and place business, for example, in Canada, so that firms may know how to produce certain articles and be available as sources of supply in the event of an emergency.

Major difficulty is that most of the business must be retained for Great Britain which means that only small orders can be diverted to Canada. Very few firms in Canada are satisfied to accept a small order for a product such as shells. Such orders mean tooling up for the production of shells. The hope is entertained that the initial business is merely preliminary to much larger orders. Once the preliminary order is completed, pressure is naturally brought to bear for more business on the ground that if this is not forthcoming the plant will have to be shut down and men thrown out of employment.

The feeling among high British officials, is therefore, that it is better not to grant too many "educational" orders disturbing the equilibrium of a great many industrial plants all over Canada.

**Puzzled by Aircraft Plans**

In the matter of the manufacture of bombing planes for the British Government, arrangements have proceeded far enough to assure that a definite attempt will be made to establish an important industry in Canada. But the methods used have not been without criticism in Great Britain. The Trade & Engineering Supplement of The Times in October made pointed reference to the apparent lack of close liaison between the new Canadian aircraft factories and the established industry in Great Britain. In particular it criticized the predominance of banking interests on the three-man liaison board in something which is first of all a matter of engineering, management, equipment and supervision.

The idea of having Canada produce a steady stream of big bombers that could be flown across the Atlantic and where the site of manufacture would be remote from possible interruptions from enemy forces, is "so good that every effort should be made to produce a sound manufacturing scheme." But, it is suggested, if aircraft from Canada are to be flowing into the Royal Air Force within two years much closer relations will have to be established between the British industry and that in Canada than has so far appeared.

## West Canadian Hydro Pays Initial Dividend

An initial dividend of 13 1/3 cents a share has been paid on the participating preference stock of West Canadian Hydro Electric Corp. covering the period from July 1, 1938, to Aug. 31. Payment was made Oct. 26 to shareholders of record Oct. 17.

Dividends on the new preference shares are cumulative from July 1. It is understood that the company expect to pay regular quarterly dividends hereafter, on Dec., Mar., June and Sept. 1.

PRICE BROS.
& Company Limited
NEWSPRINT and BOARD
Mills : Saw Mills
SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES
Newsprint Mills at Kenogami, Riverbend, Jonquiere
HEAD OFFICE PRICE HOUSE QUEBEC CITY

Abitibi Power & Paper
Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

# Fraser Profits On Lower Basis

### Loss in Third Quarter Wipes Out Gain for First Half of Year

From Our Own Correspondent

MONTREAL.—Fraser Companies reports that a consolidated net revenue of $109,307 at the half-year mark, was converted into a loss of $73,916 at the end of September, whereas on the same date a year ago, there was a profit of $720,461.

During the third quarter of 1938, Fraser Companies had a consolidated operating profit of $331,185. This was less than half of the amount reported in the like period of 1937. There was a moderate increase in the depreciation allowance and a minor increase in interest charges, with the result that there was a loss for the period of $183,269. For the three months ended September 30, 1937, there was a net revenue, after these charges, of $183,346.

The unfavorable returns for the third quarter are reflected in the cumulative account. Consolidated earnings for the nine months this year totalled $1,419,237, as against $2,142,333 for the same period in the previous year. With the exception of special loan interest and the elimination of interest on deferred and bond interest of the Restigouche Co., other interest charges and depreciation allowance increased, with the result that there was a loss for the nine months of $73,962. In the like period of 1937 there was a profit of $720,461.

Consolidated income and expenditure accounts follow:

**Three Months Ended Sept. 30**

| | 1938 | 1937 |
|---|---|---|
| | $ | $ |
| Operating profit | 331,185 | 672,559 |
| Less: Depreciation | 290,340 | 269,038 |
| Bank, etc., interest | 15,873 | 7,380 |
| Special interest | 23,841 | 25,319 |
| Bond interest | 184,400 | 179,742 |
| Deferred interest | ...... | 7,734 |
| Net revenue† | *183,269 | 183,346 |

†Subject to audit and before income taxes. *Loss.

**Nine Months Ended Sept. 30**

| | 1938 | 1937 |
|---|---|---|
| | $ | $ |
| Operating profit | 1,419,237 | 2,142,333 |
| Less: Depreciation | 819,449 | 720,461 |
| Bank, etc., interest | 50,620 | 21,257 |
| Special interest | 70,746 | 76,684 |
| Bond interest | 552,384 | 549,521 |
| Deferred interest | ...... | 26,597 |
| Net revenue† | *73,962 | 720,461 |

†Subject to audit and before income taxes. *Loss.

## Pulp Exports Reflect Market

### United Kingdom Increases Purchases But Sales to U. S. Off Sharply

From Our Own Correspondent

MONTREAL.—A sharp increase in the exports of bleached sulphite pulp to the United Kingdom and an equally sharp drop in all grades of pulp exports to the United States, feature the Canadian trade returns for the first eight months of 1938, compared with the like period in 1937.

According to a table compiled by the Canadian Pulp and Paper Association, mechanical pulp exports this year totalled 68,851 tons, as against 98,345 tons a year ago; bleached sulphite, 156,014 tons, down from 255,728 tons; unbleached sulphite, 63,377 tons, compared with the 111,558 tons, and sulphate pulp, 44,587 tons, as against 85,710 tons.

**Decline is General**

Particulars of the exports of pulp and the volume taken by the principal markets follow:

**8 Months Ended August**

| Mechanical Pulp | 1938 | 1937 |
|---|---|---|
| | Tons | Tons |
| To: | | |
| U. S. A. | 67,504 | 98,333 |
| United Kingdom | 1,347 | ...... |
| All other | ...... | 12 |
| | 68,851 | 98,345 |
| **Sulphite** | | |
| (a) Bleached: | | |
| U. S. A. | 85,174 | 208,363 |
| Japan | 16,506 | 17,042 |
| Belgium | 141 | 8 |
| France | 5,903 | 4,236 |
| Italy | 4,158 | 4,434 |
| United Kingdom | 43,885 | 19,112 |
| All other | 247 | 2,533 |
| | 156,014 | 255,728 |
| (b) Unbleached: | | |
| United Kingdom | 13,450 | 1,644 |
| U. S. A. | 49,525 | 79,161 |
| Japan | ...... | 28,559 |
| All other | 402 | 2,194 |
| | 63,377 | 111,558 |
| **Sulphate Pulp** | | |
| To: | | |
| U. S. A. | 42,789 | 82,735 |
| All other | 1,798 | 2,975 |
| | 44,587 | 85,710 |

## 41 U.S. Dailies Fail Since June 1937

From Our Own Correspondent

MONTREAL.—Since June, 1937, 41 daily newspapers in the United States have suspended publication, through mergers or likewise; six of this total have been moved into the weekly publishing field.

This total, says Editor and Publisher, is believed to be the largest for a comparable period in newspaper history, in at least three decades.

Mounting costs is the reason most frequently attributed for the change in the national newspaper picture. In addition, advertising linage was off sharply during most of this period.

DONNACONA PAPER
COMPANY LIMITED
GROUNDWOOD and SULPHITE
PULP • NEWSPRINT and
"DONNACONA BOARD"
Mills at the Company Townsite of Donnacona, P.Q.
HEAD OFFICE • QUEBEC CITY

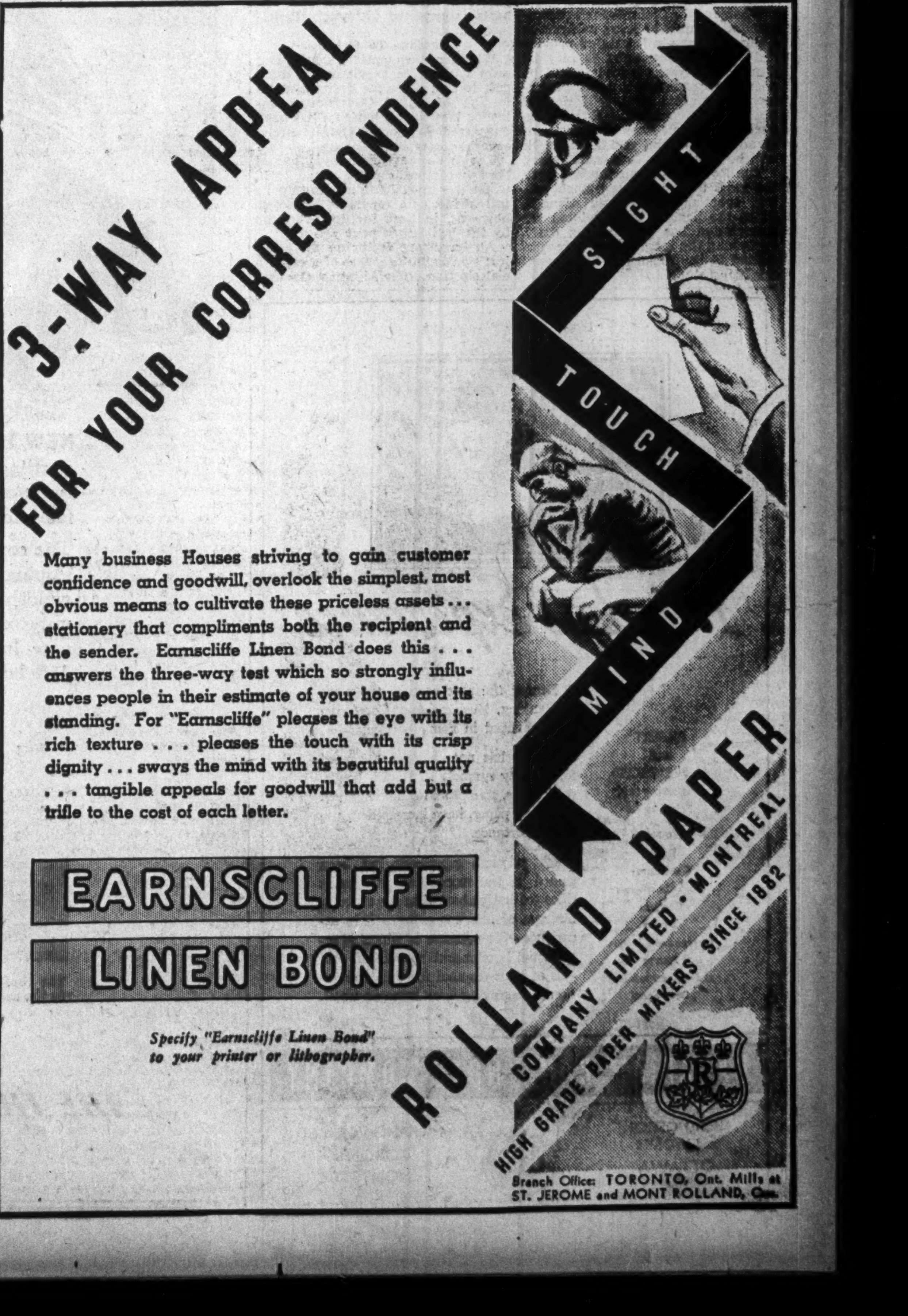
*Faithful*
LEADERSHIP

FROM a small beginning 65 years ago the Winnipeg Free Press has grown steadily in the interest and confidence of the people. It is published with an understanding of Winnipeg's and Western Canada's home life. It is edited with care: for exactness in its news, for quality in all features and departments . . . earning a favorable reputation that extends far beyond its native town.

This prestige is not a matter of luck or accident, but has been built up day by day over a period of years. A newspaper with a backbone, it has set itself a high standard and endeavored to live up to it: to be essentially a *good* newspaper, representing no class or sectional interest but the entire community. As the voice of *all* the people, it has striven to favor no friends and remember no enemies.

**Each day over 38,000 families read the Free Press in Greater Winnipeg alone; the total city and country circulation exceeds 61,000.**

Winnipeg Free Press
*"Western Canada's Greatest Newspaper"*
Toronto Office: 1206 Canada Permanent Bldg.
Montreal Office: 225 Confederation Bldg.



Many business Houses striving to gain customer confidence and goodwill, overlook the simplest, most obvious means to cultivate these priceless assets . . . stationery that compliments both the recipient and the sender. Earnscliffe Linen Bond does this . . . answers the three-way test which so strongly influences people in their estimate of your house and its standing. For "Earnscliffe" pleases the eye with its rich texture . . . pleases the touch with its crisp dignity . . . sways the mind with its beautiful quality . . . tangible appeals for goodwill that add but a trifle to the cost of each letter.

EARNSCLIFFE
LINEN BOND

*Specify "Earnscliffe Linen Bond" to your printer or lithographer.*

ROLLAND PAPER
COMPANY LIMITED • MONTREAL
HIGH GRADE PAPER MAKERS SINCE 1882

Branch Office: TORONTO, Ont. Mills at ST. JEROME and MONT ROLLAND, Que.

# Rowell Report Now Expected Late in Session

## Little Possibility of Government Implementing Findings Next Session

**BY NORMAN A. WHITE**
**Staff Writer, The Financial Post**

OTTAWA. — Present indications are the Rowell Commission report on Dominion-provincial relations will not be completed in time for the Government to take any action on it at the forthcoming session of parliament.

Not only will the report be later than originally expected but the parliamentary session is expected to be cut short due to the scheduled visit of the King and Queen. It now appears the report will not be completed before the end of March in which case it may merely be tabled.

It is generally conceded the report will recommend some amendments to the B.N.A. Act. It will probably suggest greater centralization of social services and some revision of the tax system. But there is the antagonistic attitude of the Ontario, Quebec and Alberta Governments to consider. It is not likely the King Government will decide to push for a major shift in governmental responsibilities and taxation powers without first calling a conference of the provinces to discuss the matter. If this is not feasible, it might decide to fight an election on the question.

### Action May Be Forced

In some circles it has been suggested the King Government will do nothing about the report. This view overlooks the fact that action will probably be forced on the Government by the financial position of the western provinces. The necessity of action may be postponed by continuing temporary aid as at present, but fundamental changes will have to be made eventually.

The threat of default by Manitoba forced the Government to appoint the Commission. Similar circumstances might easily force action on the report. For instance, Saskatchewan has a $3 million maturity to meet on May 1 next. Unless there is some assurance there is to be an adjustment in Dominion-provincial financial relations the province will have difficulty in securing funds to meet the maturity. Then, again, Manitoba has stated bluntly that the alternative to an adjustment is an arbitrary cut in interest.

### Less Hopeful of Reception

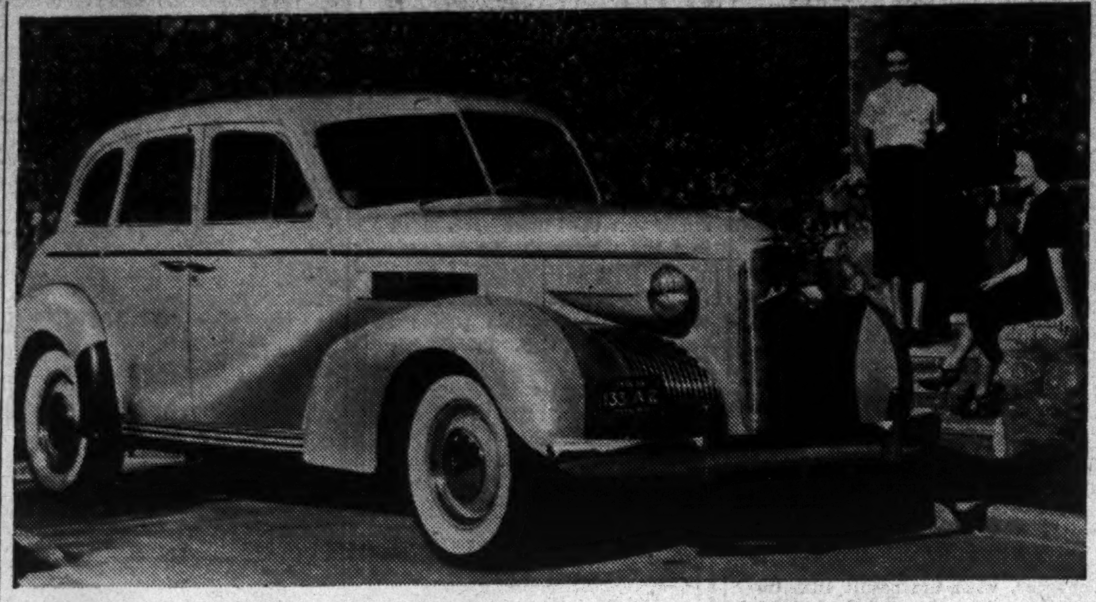
A year ago high hopes were held for the success of the Rowell Commission study. During the year, as a result of several factors, hopes have dwindled. In the first place, there is the opposition of Ontario, Quebec and Alberta. Another blow has been the illness of Hon. N. W. Rowell, chairman of the Commission. It now appears he will not be able to take further part in the deliberations of the Commission. Without the prestige of his name the report will carry less weight with the public.

As regards the opposition of Ontario and Quebec, it should be noted that Premier Mitchell Hepburn and Premier Maurice Duplessis have recently come out in support of assumption of relief costs by Ottawa. For Premier Hepburn this is a change in tune. In appearing before the Rowell Commission last spring he suggested relief be left with the provinces and that the Dominion abandon the income tax field.

### Will Take Time

Whatever the Commission's recommendations may be there will not be a major change in Dominion-provincial relations overnight. It may be four or five years before it will be possible to complete a major adjustment. A great deal will depend upon public opinion. It may be necessary to sell some of the recommendations to the public before it will be possible to implement them.

The Rowell Commission has been the most thorough-going stock taking ever undertaken in Canada. Since the beginning of October the commission has been sitting daily, reviewing the mass of evidence submitted to it. Reports of its experts are being studied.



NEW DRIVE FOR LASALLE

High Plane Hotchkiss drive is featured on the new 1939 LaSalles introduced to Canada this week. More comfort, easier and safer driving is claimed. Radiators have been made slimmer. Optional equipment on this and the Cadillac is the sliding open panel in the roof. Above LaSalle touring sedan.

# Cheaper Gasoline, Elections Seen Behind Alta. Oil Probe

**From Our Own Correspondent**

EDMONTON. — Hope that the Royal Commission investigation into the Alberta oil industry will result in cheaper gasoline is entertained in Social Credit circles. Demand for Government intervention in the oil business has been intermittent among supporters of the Aberhart Government since it took office in 1935.

Emphasis in the investigation is expected to centre upon costs of production and marketing. But in the background is the Social Credit dream of the Government entering the lucrative oil business directly. The Commission has been instructed to consider, among other things, the feasibility of the Provincial Government taking over wholesale and retail distribution of oil products.

After one day's hearing, October 17, the Commission headed by Mr. Justice McGillvray adjourned until Dec. 5, to permit counsel for interested parties to prepare cases.

### Seek Just Price

J. J. Frawley, K.C., of the Attorney-general's department, who is counsel for the Commission, said the paramount issue to be decided was what constituted a "just" price for gasoline in Alberta. The Commission would also have to decide on the advantages or otherwise of the Government taking over the sale of gasoline.

Aside from the findings of the Commission, the Social Credit Government's current "interim" programme for bonusing domestic consumers and encouraging domestic industry is designed to provide ultimately for a wide extension of Government interference in wholesale and retail business generally. In the proposed set-up of a domestic monetary system operating by "non-negotiable" vouchers, business in oil would figure prominently.

Price-regulating legislation is already on the statute books of Alberta, though it has not yet been used. While Government circles are reticent about discussing probable results of the enquiry into oil, sentiment is strong for action to bring about a reduction of price. In British Columbia, the provincial gasoline board is already blazing the trail of enforced price reduction, and Alberta is expected ultimately to follow suit.

### Anxious To Get In

Whether the matter would end only with price regulation is difficult to say, since the desire and intention of direct Government entrance into the oil business has been expressed in Social Credit circles several times in the past.

The two-man Commission has at least two months work ahead of it, when the investigation gets into its full stride. Its report is expected, however, in time for consideration by the legislature next winter.

An important factor on the political side is the nearness of a provincial election. The Aberhart Government has already begun to prepare for the inevitable election, which may not come until after two more sessions of the house, that is, until 1940.

The oil industry itself, according to those who should know, has not been alarmed by the investigation. It is facing serious marketing and production problems, and so far the Social Credit Government has helped rather than hindered through its gas conservation programme.

The industry has not yet begun to get back the millions of dollars sunk into the field in exploration and drilling, however, and it looks forward to a period of carefully-expanding markets to permit adequate return on investments.

# Lebel Operating Profit $35,514 During 1938

Operating profit of $35,514 was shown by Lebel Oro Mines for the year ended Sept. 30, 1938. After provision of $12,981 for depreciation and $24,268 for preproduction expense at the rate of 75 cents per ton of ore milled, a net loss of $1,735 was shown for the year.

Bullion production for the fiscal year was $205,816 on deduction of marketing expenses. After addition of $199 miscellaneous revenue and deduction of $170,501 mine and head office expense, operating profit was $35,514 as shown above.

Balance sheet as at Sept. 30, 1938, showed current assets totalling $42,988 including cash of $29,001 and bullion in transit of $10,935. Current liabilities were $12,196. Surplus carried forward as at Sept. 30, 1938, amounted to $7 compared with $1,742 at the end of the previous year.

# Bren Probe Comment

Critical curiosity as to why the John Inglis Co. was selected to produce Bren machine guns, and no other Canadian firm invited to tender or given an opportunity to obtain necessary technical information, has featured recent press comment on the Bren contract enquiry. The probe resulted from publication of an article by Col. George A. Drew in Maclean's Magazine of Sept. 1.

Pointed comment on the exclusive selection of the Inglis firm and Major J. E. Hahn, its president, to assemble data and submit proposals, is coupled by the Winnipeg Free Press with comparison of Defence Minister Mackenzie's statements before the current enquiry and to the House of Commons last spring. Says the Free Press:

"The fact is that very essential information was withheld from the House, which rose without the faintest idea of the most important circumstances surrounding the letting of the contract to Major Hahn.

"This was hardly the fault of the members of the House. Various men made strenuous efforts to get at these facts. They failed because Mr. Mackenzie eluded them by making replies which, though perhaps technically justified under the rules of the House, were not justified at all when the public interest is considered."

### Answers to Woodsworth

After referring in detail to the defence minister's answers to questions by J. S. Woodsworth, M.P., the Free Press continues:

"Mr. Mackenzie therefore had three possible lines of defense, all of which were technically accurate, but all of which had the unfortunate effect of misleading the House of Commons and the Canadian people. If Mr. Mackenzie considers this a proper way to conduct public business, the public does not. Of this there is no doubt, and Mr. Mackenzie might as well be told that now as later....

"Is there anything on the record of Hansard to show that Major Hahn was treated by the British War Office just as one more Canadian promoter until cabled instructions were received to consider him an official representative?"

The same point intrigues the Vancouver Province, which remarked:

"The Bren gun puzzle grows more puzzling as the enquiry goes on. General La Fleche, deputy minister of national defence, insists it was the British War Office which picked the Inglis firm to manufacture the guns. But previous evidence indicates that the War Office did not know anything about the Inglis firm until Major Hahn, its president, appeared in London with credentials from the Canadian defense department. . . .

"Hon. J. L. Ralston, counsel to the Commission, but who appears to be acting more in the capacity of counsel for the defense, says the contention to the end is going to be that only one source of supply of Bren guns existed in Canada—the Inglis firm. The evidence shows that the Inglis firm did not know anything about making Bren guns, and Mr. Commissioner Davis intimates that he regards the suggestion that it alone could make them, as ridiculous."

### Maritime Comment

Along the same lines, the Charlottetown Guardian remarks:

"So much at least has been made clear by the Bren gun enquiry— that it was Ottawa, not the War Office, that was really behind the Inglis firm, and that whatever standing Major Hahn had with the War Office he secured as a result of representations from the minister of national defence."

Noting that the interdepartmental committee passed the Bren contract despite objections of several of its members, the Ottawa Journal says:

"It is all very odd.

"Odd that the British War Office should have made up its mind that the only man in Canada with whom it wanted to deal was Major Hahn; that men like Mr. Wallace Campbell of the Ford Company of Canada, Mr. Magor of the National Steel Car, and Mr. Victor Drury (to mention but a few) must in no circumstances be consulted or considered."

### Debt of Gratitude

Referring to the protracted negotiations that culminated in award of the contract to the Inglis company, the Sydney Post-Record observes:

"Without attempting further to dissect this extraordinary series of transactions, or to explain their chronological sequence, or otherwise to correlate their baffling ramifications, one feels constrained to the conclusion that Major Hahn owes a staggering debt of gratitude to Mr. Hugh Plaxton, M.P., whose word in season to the minister of defense resulted in orders for 12,000 machine guns, to be manufactured by a concern which had never made a gun, through expected operation of a plant not yet in existence.

"Did political patronage ever before produce such a phenomenon?"

"What a Beautiful coat!"

Women observe men's clothes as well as those worn by other women—and, women know fabrics. The lustrous finish and soft curl of the Australian wool and Kashmir in a coat tailored from Carr's Celestia appeal instantly to women.

Cloth of the quality of Carr's Celestia, deserves and receives the finest tailoring. The Carr label on an overcoat means that for every dollar you pay you will receive full value in style and long wear—lightness and the warmth of fur.

Meticulous care goes into the making of the cloth for Carr Coats—selected Australian wool, the silky fleece of Kashmir goats, "West of England" weaving that has been a tradition since the fourteenth century.

CARR'S "CELESTIA" HAND BEATEN KASHMIR ISAAC CARR

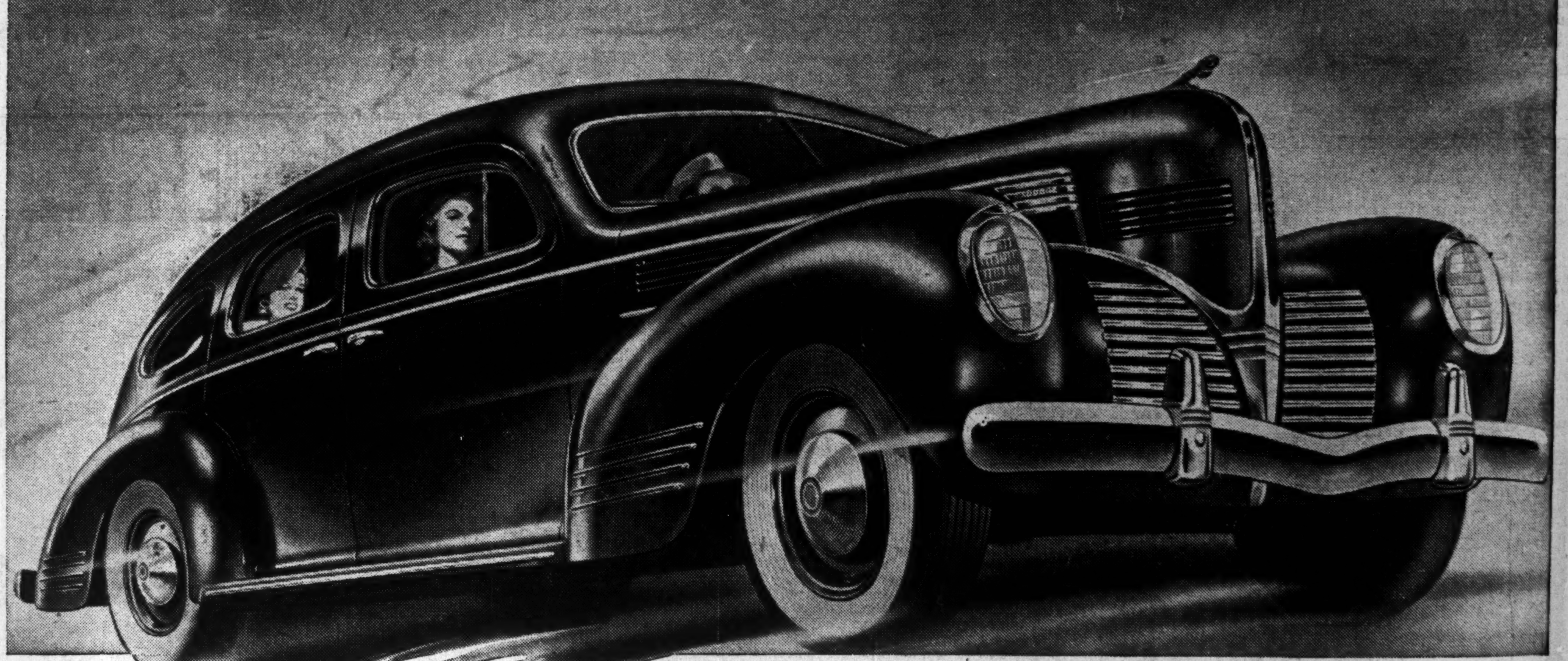
ORIGINAL CARR'S ELYSIAN BY ISAAC CARR & CO LTD WEST OF ENGLAND

HIGH GRADE West of England Cloth Isaac Carr & Co LTD BATH

Look for the label that identifies
CARR'S ELYSIAN
THE MELTON
CARR'S CELESTIA
CAMEL HAIR

Isaac CARR & Co. LIMITED
Twerton Mills, Bath
"WEST OF ENGLAND"

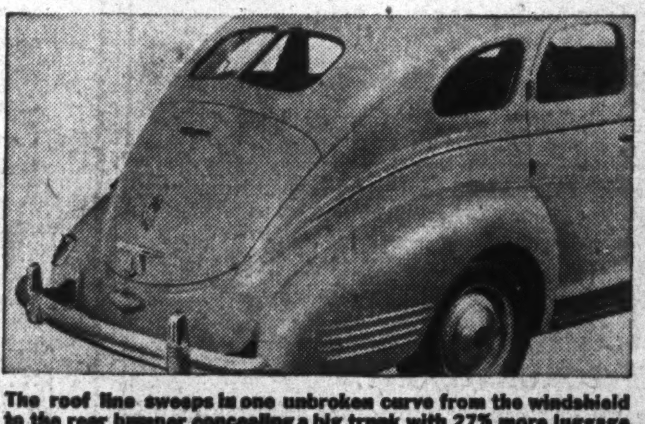
# 1939 Dodge "Leader in Luxury" is Here



1939 Dodge Custom Four-Door Sedan

**NEW IN DESIGN,** this new Dodge Custom is startling in its sheer beauty of form and line. It is a worthy climax to Dodge's 25 year record of fine car building.

The completely NEW wider bodies have graceful, sloping lines which flow from the top of the windshield back to the tail light in one smooth unbroken contour, completely concealing the new luggage compartment — which is actually 27% larger than the old style trunk.



The roof line sweeps in one unbroken curve from the windshield to the rear bumper concealing a big trunk with 27% more luggage capacity than formerly.

NEW deep cushioned chair-height seats . . . gorgeous new upholstery . . . stunning new hardware . . . and the most beautiful instrument panel Dodge ever built make this new interior a "Leader in Luxury" in every sense of the word.

NEW location of the Handy-Control gearshift on the steering column and removal of the hand-brake to the left of the steering column completely clears the front compartment floor of obstructions.

The NEW "Safety Signal" speedometer is your speed guardian for both city and country driving — especially at night. Up to 30 miles per hour it shows a green light . . . from 30 to 50 a yellow light and over 50 a red light.

The NEW individual action front wheel springs and Dodge advanced weight distribution together with new steering control give you an entirely new sensation of driving sureness and control.

Your Dodge-De Soto dealer will gladly let you drive this 1939 Dodge Custom.

DODGE FEATURES YOU CAN SEE AND TRY OUT FOR *Yourself!*

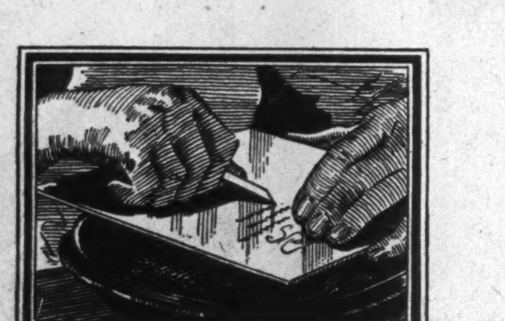
*Gear shift lever is now on steering column . . . Front compartment floor is clear—lots of room for three people. Standard equipment—no extra cost.*

10
20
30
40
50
60
70
80
90
100

*"Safety Signal" Speedometer on all Dodge cars for 1939. A speed guardian for night driving.*

*Individual Action Front Springing with Amola steel coil springs and airplane-type shock absorbers.*

THE THRILLING NEW 1939 DODGE *Custom*



*Priceless Experience*

EXPERT
and
EXPERIENCED
Engraving and
Printing of

Bank Notes
Bonds
Debentures
Stock Certificates
Cheques
Drafts
Postage and Revenue
Stamps
and other Monetary
Documents

● During the past century the ways of Banking, Business and Commerce have changed in many particulars.

But time has not changed the need for "money symbols". Stocks, bonds, bank notes, stamps and other engraved monetary paper, have increased in use and importance.

Much priceless experience has been gained in the more than 100 years since we first embarked in the exacting business of fine engraving. This experience—the outcome of which is exceptional human and mechanical skill —is at your disposal for the preparation of engraving work large or small.

3-37

CANADIAN BANK NOTE COMPANY
*Limited*

HEAD OFFICE
and WORKS
OTTAWA

BRANCH OFFICES
TORONTO
MONTREAL

# THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, NOVEMBER 5, 1938 | 10c a Copy; $5.00 a Year | No. 45

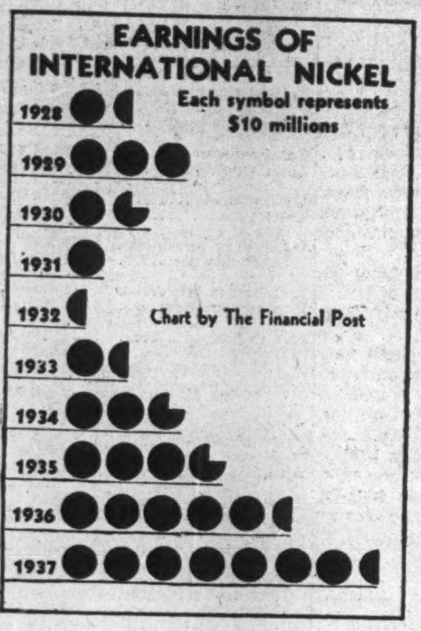
# Nickel — The Stock the World Watches

## Canada's Greatest Mining Enterprise Has Tripled in Size in Last 10 Years

*In the second of 10 articles on market leaders, The Financial Post this week discusses International Nickel, a company unique in world industry. Demand for nickel and copper can be expected to increase with greater rapidity, it is argued. Replacement of capital goods and modernization will be a big feature of a decisive business upturn, hence assuring a large demand for base metal products.*

*Next week: Price Bros & Co. Ltd.*

By R. A. McEACHERN
Staff Writer, The Financial Post



There is no other business in all the world like International Nickel.

It has the world's greatest copper-nickel ore body.

Through its leadership, research and sales drive, nickel has developed from a lowly metal with very few uses into a symbol of the modern, the lasting, the sophisticated. And that within a generation.

This blond star of the metals serves us in a thousand ways. Not an industry, hardly a home but knows nickel in some form. About 20% of all nickel produced goes into the automobile business. The radio industry takes about 18%. Railways, farm implements and machinery in general are taking about 15% and this is a rapidly expanding field. Chromium plating, etc., takes about 10%. Monel metal used for everything from the kitchen sink to luxury streamliner trains takes 9%. The rest of nickel goes into a wide variety of industries and uses which the layman but dimly understands.

### *Classic Example*

International Nickel is a classic example of what the economists call vertical integration. It has its own mines, smelters, power companies, mills and foundries, sales organizations and a group of other companies holding real estate, operating coal mines and so forth.

As producer of about 85% of the world's nickel supply, International Nickel has a virtual monopoly, controlling output, controlling price, dominating markets right around the globe.

Already a giant in 1927 when it produced 39,700 tons of nickel, the giant has since multiplied his size three times and in 1937 produced 104,000 tons of nickel.

Representing a truly international enterprise, International Nickel stock is listed on the great exchanges of America and the Continent.

The sturdy Swiss businessman watches Nickel quotations in the windows of the banks as he goes about his affairs. To him, its ups and downs are a concrete index of the trend.

The austere boards of America's great investment trusts have made Nickel the most popular single issue in 756 trust portfolios. To them, it is a sure, smooth-sailing enterprise, a unique hedge against inflation.

### *Unique Stability*

For International Nickel has achieved stability to a unique degree.

Its proved ore reserves are good for 40-50 years at most conservative estimates. But the company is still extending its exploration work and has half a dozen properties awaiting development when need arises. Giant mining operations are now being prepared in Finland where the wheels will begin turning in 1940.

Because the company so completely dominates the nickel world, it has been able to peg the price of nickel at 35 cents a pound for 12 years. Scrap nickel is so small as to be of no account.

Since 1885 the price fluctuations of nickel have been very slight. During the war, its price went up to around 50 cents per pound. In the middle 20's, before International Nickel had control of the market, the price slipped off to around 25 cents a pound. Back in 1873 nickel price shot up to $3.75 per pound.

At present prices the company is making money and the price is low enough to permit use of nickel wherever desirable. Decline in price is most improbable. International is generations ahead of possible competitors. While there are other nickel deposits in various parts of the world, none is known to be nearly so rich, nor so extensive. With its control of the market, International Nickel could, on the other hand, raise nickel price if it felt such action compatible with sustained demand. In the face of rising prices, for instance, this might very well be done; hence, an inflation hedge aspect for the investor.

The stable price has been no small factor in nickel's conquering march. For the company it means generally higher profits, and gives freedom to concentrate on sales, research and production efficiency rather than dancing to the tune of a fluctuating price. For the customer it means relief from the need to hedge, worry about inventories.

### *By-Products*

By-products of the nickel ores are a vital part of International Nickel earnings, important factors in its stability.

International Nickel is one of the very largest copper producers in the world. Noranda in 1937 turned out just over 80 millions pounds of copper. Last year Nickel produced almost 292 million pounds of copper.

Every cent rise in the price of copper means an extra $2,918,804 for International Nickel earnings.

Seldom thought of as a gold mine, Nickel last year produced gold worth $2.7 millions, which puts it in a class with such rich gold mines as Beattie, Bralorne, Pickle Crow, Siscoe or Sylvanite.

International Nickel is the world's biggest producer of platinum, of which the world is taking more every year for the chemical, dental, electrical and architectural fields, as well as the jewellery trade. And in recent years, because the holding of gold is not permitted in some countries, some persons of wealth have turned to the hoarding of platinum as an inflation hedge.

Platinum price in recent years has fluctuated wildly from as high as $250 to as low as $30 per ounce. Last year platinum production netted International Nickel $9.9 millions.

Its silver production returned over $1 million. From selenium it got around $160,000; from tellurium, around $6,000.

### *Protected Against Shock*

As a mining enterprise, the company is marvellously protected against any shock. No matter what happens to any one national economy, or to the price of any metal, the company still controls the price of nickel. No matter what the inflation or deflation, nickel, as a commodity, is in a unique position for immediate response.

"To effect economies and thereby lower production costs," as the president, Robert Stanley, declared, capital expenditures this year total about $14 millions. Last year they were about $8 millions. "It is only through improvements in operating methods and equipment that the rising costs of taxes, supplies and transportation can be offset," Mr. Stanley pointed out.

Another unusual advantage enjoyed by the company is its world-wide sales. For instance, during the last three months of 1937, sales of nickel in the United States, the company's largest single nickel market, decreased to such an extent that average monthly consumption was less by 44% than that of the preceding nine months. But because International Nickel has the world for its market, its sales volume held up strongly with good demand continuing in other countries.

Has nickel any competition or threatened competition? Yes, there are two other metals now competing with nickel. They are chromium and molybdenum. But here's the joker. In nearly all forms, both these metals require blending with nickel for best service and most uses.

Plastics have been developing rapidly in recent years and science promises still more wonders in this field. It is possible that some time in the future nickel will have more vigorous competition from materials of this type. But there is still the basic field—wherever great strength with small bulk is required—that is a nickel preserve.

### *Demand Mounting*

Thriving under normal conditions, International Nickel is in a unique position to profit from a broad business upturn.

Fostered by the imagination and skill of Nickel's engineers and sales forces, the world demand for nickel has been rapidly going up. For instance, world consumption of nickel in 1937 was some 25% greater than in 1936. The past year showed the wide margin of almost 80% over world demand in 1929.

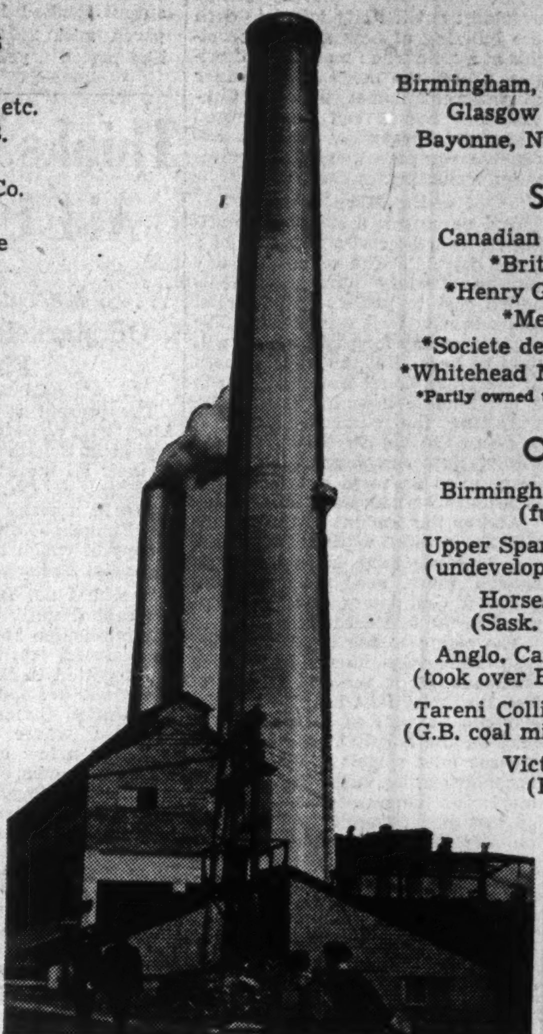
But look at what world demand is likely to do when the business upturn

(Continued on page 12)

**Refineries**
Acton, G.B.
gold, platinum, etc.
Clydach, G.B.
nickel
Ont. Refining Co.
copper
Port Colborne
nickel
Onverwacht
platinum

**Mines**
Frood
3,804,409
Creighton
1,283,046
Levack
399,076
Garson
393,747
Kaulatunturi
Finland
to operate 1940

**Power Co.'s**
Big Eddy
25,000 h.p.
High Falls
25,000 h.p.
Nairn Falls
7,000 h.p.
Wabageshik
5,000 h.p.
(all four companies directly owned by Huronian Co. Ltd.)



**Mills**
Birmingham, G.B.
Glasgow
Bayonne, N.J.
Huntington, W. Va.
Clearfield, Pa.
Cromite Fdrs., G.B.

**Sales Co.'s**
Canadian Nickel Products Ltd.
*British Metals Corp.
*Henry Gardner & Co. (G.B.)
*Metallgesellschaft
*Societe des Minerais, (Belgium)
*Whitehead Metal Products, (U.S.A.)
*Partly owned through Amalgamated Metals.

**Other Co.'s**
Birmingham Electric Furnace
(furnace mfrs.)
Upper Spanish Improvement Co.
(undeveloped power sites, Ont.)
Horseshoe Lake Mines
(Sask. sodium sulphate)
Anglo. Can. Mine & Devel. Co.
(took over Brit. Am. Nickel Corp.)
Tareni Colliery
(G.B. coal mines)
Clydach Estates
(G. B. real estate)
Victoria Syndicate
(B.C. mining)

**Smelters**
Copper Cliff
12,500 tons daily
Coniston
2,000 tons daily

# Brittle Nazi Machine Speeds On

## Economic Engine Geared to Every Factor In State—Some Signs of Strain Are Seen

By FLOYD S. CHALMERS
Editor, The Financial Post

Germany has created a new style of economic machine. In it, all factors in the life of the nation—bankers, investors, employers, workers, farmers, traders, taxpayer—are geared together to run as a single unit at the speed the chief political engineer directs. It gives the impression of running with remarkable efficiency. But how long can it continue to operate?

There are, of course, signs of strain already. But there is no evidence that a collapse is dangerously near.

The adjective that I ran into most frequently in Europe when I discussed Germany's economic achievements with experts in the big Swiss and French and British banks and on the staff of the League of Nations was the word "brittle." It is a good word. Germany has set up a brittle economic organization. It will take a lot of punishment and it will even bend a bit, like a hard rubber comb. If you try to bend a rubber comb too far it will suddenly snap.

That is a fair description for this Nazi business system too.

It can be regarded as, on the whole, efficient. What are the tests of efficiency?

### *Employment*

Employment? Well, Germany has reduced her unemployed from 6,000,000 to virtually nothing. I want to add to some figures I gave in a previous article. I referred to the 1,500,000 people who have been taken out of the bread lines by putting them into uniforms. I referred to the 500,000 women taken out of unemployment by the increase in the number of marriages.

Perhaps another 500,000 have gone to swell the ranks of the bureaucracy. And there is another indefinite number of people who are now employed simply because the all powerful State has told industrialists and merchants that jobs had to be found for them.

For instance, I was informed that there has been an increase of at least 100,000 in the staff of the German State railways over and above what was economically necessary. And even non-State enterprises have had to be forced to hire people they did not need. Here is a typical instance:

A man who operates a semi-luxury shop on Unter den Linden in Berlin found his business falling off. He went to the proper authorities and asked permission to reduce his staff by 10. His request was taken under advisement and shortly he received an order from the Government to take on 10 more people. He was sorry he had ever raised the question.

Nevertheless, even after allowance has been made for all such unproductive increases in employment, the fact remains that there are about 3,000,000 people who have been given jobs in Germany because of the accelerated pace of business under the Nazi economy. How many of these new jobs can be traced to armament expenditures—now being made on a fantastic scale—I cannot say.

### *Increased Production*

Is increased production another test of efficiency? The industrial index in Germany has risen from a 1932 average of 53 to a recent high of 127, a more rapid rate of business improvement than has been shown in any other major country.

Is stability of business a test of efficiency? When the industrial index in the United States was declining by 40 per cent last year the German index remained comparatively stable—in fact touching an all-time high this summer when U. S. indices were on bottom.

In no small measure the smoothness of operation of the German prosperity machine can be attributed to the controlled standard of living of the people. With wages, hours of labor and retail prices alike controlled by the State it is possible to keep most of the elements in the economic system in balance.

We would not regard the standard of living as high. In fact no nation can enjoy a high standard of living when the producers have to support such a vast army of non-productive "workers."

Even more, the German economy rests upon the political system. When Nazi regimentation breaks down, the whole economic machine will be put to a supreme test. Competition and individual initiative have been largely eliminated. There is no class struggle; no desperate gambles for a larger share of the market; no fighting over the spoils of industry. The employer and the worker alike take what the State permits them to take. Labor disputes are unknown.

The worker has no standard of comparison by which to test the adequacy of his wages or his standard of living, because he is permitted to know little of what is going on in other countries. In that respect he is in the same position as the industrial worker in Russia.

It takes an unsleeping dictatorship and a vast and expensive bureaucracy to maintain such a system of control and to keep the machine operating.

I found shrewd economic observers in Germany prepared to declare that the country was drawing upon its capital. It is hard to measure the extent of this. Undoubtedly the increased pace of production has created a great deal of new wealth and national income which in turn have financed steady expansion in output.

The German business machine can keep running indefinitely and no one can say at what point the pressure on the brittle mechanism will bring a breakdown.

Such a breakdown can be avoided if Herr Hitler and Dr. Schacht and Dr. Funk can find the way gradually to turn the economy from a public spending economy to one of private investment. In this respect the German problem is exactly the same as the one that faces President Roosevelt in the United States. The New Deal hoped that public spending would prime the pump of private investment. But when the New Deal slowed down on public spending it found that private investment did not take up the slack immediately. Hitler, too, is having difficulty in modifying his programme in order to permit private investments.

This series of articles on Germany, written as a result of the visit to Germany that I made in September, has not attempted to explore exhaustively all phases of German business and economic life. It has covered only those subjects that I had an opportunity of studying at first hand. I should not like to conclude without some facts about one of the most significant of German developments, the bonusing of export trade.

### *Art of Dumping*

Germany has brought the art of "dumping" to the level of a science. By an elaborate system of export bounties she is giving direction to her foreign trade.

Many things are wrapped in blankets of secrecy in Germany. A friend of mine in Europe, who used to visit German industrial plants to discuss with their executives various processes for the production of synthetic wool from wood, straw and even fish meal, has recently found that German manufacturers were under orders not to receive foreign visitors or discuss processes with them.

In respect to the matter of the "Assisted Export Scheme," the lid is down tight. It is an offense of the gravest character for any German industrialist to give out information of any kind regarding the export subsidy scheme. The Government itself has never published an official statement about this "Z. A. V.," nor, so far as I know, has its existence ever been officially admitted.

A great many facts have, however, been bootlegged and it is possible to piece together a story of the purposes of the scheme and how it operates.

### *Subsidies Paid Since 1935*

Direct export subsidies have been paid since 1935. Their ostensible purpose is to give to the German exporter the same advantage that is enjoyed in world markets by Canada, the United States and other countries that have officially devalued their currencies or whose money is selling at a depreciated level.

Obviously, the simplest way to grant this advantage to German exporters would be to devalue the mark. But Ger-

(Continued on page 12)

Germany has practically abolished unemployment. Above youths of the labor corps.

There is nothing in Europe like Germany's new roads—A highway bridge under construction.

# Pointers for Aberhart

Germany has introduced many of the economic policies preached by doctrines of new monetary and economic "heresies" in Canada.

Mr. Aberhart would no doubt be delighted with her monetary system. German money, with a coverage of less than 2% in gold and foreign exchange, is based upon "labor" and "production."

Mr. Stevens would enjoy studying Germany's rigid control of production, prices and profits.

Mr. Herridge would find all his ideas on planned economy and a directed social life working out with reasonable efficiency.

But if these doctrines work out in practice in Germany it is only because they are backed by an all powerful dictatorship.

To protect her currency Germany has had to get her trade on a barter basis and she has had to seal up her frontiers.

To control economic life she has had to make every manufacturer, every farmer and every worker the slave of a ponderous bureaucracy. Even the trade unions are government departments.

To plan a new society she has had to adopt the Leadership principle and abolish every trace of democracy and freedom.

That seems to be the final lesson of the German experiment. State planning ultimately leads to the establishment of the State as something superior to the individual.

The German economy will probably work with reasonable efficiency so long as there are no compromises with freedom and no egregious blunders at the top, such as a venture into war or an attempt to make the nation 100% self-sufficient.

# Growing Hospital Deficits

## Toronto Dispute Focuses Interest on Dominion-wide Cost Situation

Toronto is once again paying hospital deficits, but it is doing so only in part and after serving notice that this year will be the last; that in future the hospitals must make ends meet no matter how they do it.

Thus what has become an increasingly angry dispute may die down for a few months to arise with even more bitterness next autumn.

For the truth is that hospitals cannot provide the service required of large medical institutions and make their budgets balance as long as the statutory rate they are permitted to charge for public ward patients (charity or paying) remains fixed at $1.75 per day. And should they attempt to reduce essential medical service to keep within their budget they will face public opinion.

So, regardless of who pays the deficits, it is safe to predict now that deficits will persist in the operation of public wards until a rate structure is devised which takes into account the growing cost of hospital services.

### Canada-wide Situation

The Toronto dispute has served to bring into sharper focus a situation which exists to an increasing extent in all the other large centres of Canada. It is the price paid for the advance of medical science; the keeping alive of thousands who 20 years ago would have died.

In industry a new discovery pays its own way. Mechanization has reduced costs. In medicine, science has added to costs in reducing the death rate.

Sir Frederick Banting's discovery of insulin has been a very definite factor in the growing hospital deficits. It not only provided a remedy for diabetes but it opened the door of a long list of other discoveries which, like insulin, have to be given regularly if the disease is to be held in check. And while Ontario may provide insulin free, the liver extract, the tremendously expensive cortin for Addison's disease, and the other new products, have to be provided to public ward patients at the all-inclusive rate of $1.75 a day. To this the province adds a flat 60 cents a day for both paying and indigent patients. The city pays $1.75 a day only for charity cases.

Nearly every new discovery has brought with it a new laboratory test, but for charity patients all laboratory work is included in the flat rate. X-ray services of every type, the new physio-therapy treatments, even operating-room costs, are also included without extra charge.

There are four sides to the hospital dispute. There is the province, the city, the hospital and the patient.

### Provincial Stand

Ontario has announced that it will not raise its grant of 60 cents per patient per day. If it raised the grant for Toronto it would have to do so for the whole province, and provincial records show that scores of small hospitals that do not attempt to keep abreast of scientific medicine operate with a surplus on public ward charges.

The position of Toronto is easy to understand. It naturally objects to meeting deficits; giving the hospitals what has been described as an annual blank cheque. Toronto does not fix the amount paid per indigent patient. The $1.75 rate is set by statute. Charity patients from North Bay; from the large metropolitan area immediately surrounding the city, pay exactly the same, and yet Toronto is asked to meet the deficit. In the large hospitals approximately 30% of the public-ward patients come from outside the city. Small hospitals not equipped for the treatment of rare conditions push their patients along to the city and keep on operating within their grant.

Then there is another point. Patients who can pay their own way are charged exactly the same amount in the public wards as the charity patients, and the city is asked to pay the deficit on their treatment. It is true that the hospitals are permitted to charge paying patients a flat $1.50 for laboratory services; half of the regular rate for operating-room services; half of the amount allowed by the Workmen's Compensation Act for X-ray treatment; and half of the scale for physio-therapy. But the hospitals are not permitted to use any pressure in collecting these charges. In other words, they can collect only if the patient admits a willingness to pay.

The city argues that at least a share of the deficit is an obvious provincial responsibility until such time as the province authorizes a new rate scale.

### The Hospitals Case

The hospitals feel that the time has come for a little realism by provincial and civic authorities. They argue that hospitals should be classified as to services rendered, and grants fixed accordingly. Because the smaller hospitals do not give treatment with powerful X-ray machines is no reason for Ontario to ignore the cost of such treatment. Because fever therapy is new they do not believe it is just to soak those who can pay in order to treat Toronto's city order patients for nothing.

There was a time when the hospitals made a neat profit on private patients, which helped to offset the public-ward deficits. But private-patient accommodation grew too fast and now there is no longer a profit.

Some hospital authorities feel that the city should take the blame for this overbuilding of private rooms.

Not only were private rooms overbuilt but the city failed to curb the building of new general hospitals at a time when medical authorities urged the need for cheaper convalescent homes instead. Convalescent homes can be operated without laboratories, without expensive equipment, with the minimum of nursing.

### Nursing More Costly

And nursing is a steadily mounting item in the cost-accounting of a large hospital. The eight-hour day for private-duty nurses, with its added cost to patient and hospital alike, is now well established. The eight-hour day for pupil nurses will soon be here. But the improvement in the professional training given to a pupil nurse has already reduced the time the students spend at work in the wards. Ten years ago student nurses averaged 7 hours and 50 minutes on ward duty; this has been cut to 6 hours and 40 minutes.

And as the amount of time available for hospital work has been cut, the hospitals have been forced to engage more and more nursing aides, a completely new development in the last decade.

The swing to the eight-hour day of private-duty nurses has added tremendously to the cost readers of The Financial Post have to pay for sickness as well as increasing the load on the hospital. A really sick patient now spends $15 a day for nursing service, plus the cost of meals for the nurses. A load such as this has naturally reduced the number of special nurses engaged; reduced it to such an extent that one Toronto hospital pays $10,000 more a year for hospital nursing to take up the slack.

The outpatient departments, which provide treatment for many cases that otherwise would have to be hospitalized at the expense of the civic authorities, is another expensive service. The city provides a flat grant which works out to 27 cents a visit per patient. The actual cost to one hospital is 59.7 cents.

In the existing confusion over who should pay, there is one favored class—the charity patient. The man who does not pay a cent is assured of treatment by the leading specialists, who will order drugs and treatment with the same utter disregard of cost they would have in treating a millionaire.

# Eldorado Sales Show Big Gain

## Orders for Radium and Uranium in 30 Days Exceed All '37

Firm orders for radium and uranium taken by Eldorado Gold Mines during the 30 days ended Oct. 25, were greater than total sales of all refinery products during the entire year 1937, according to information released by the company.

Radium orders during the period had a value of $287,000 in Canadian funds, while uranium commitments amounted to more than $500,000 for the same period.

New uranium uses and increased requirements for present applications stepped up normal industrial demand, officials state, in explaining the unprecedented demand for the company's products. New uranium uses are keeping world demand from Eldorado still in advance of production.

# *Dosco Operations Near Half Capacity*

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp.'s operations at the Sydney Steel plant showed little change during September as compared with the previous month and was approximately at half the rate reported a year ago.

According to the Bureau of Statistics, pig iron and steel ingot production during September totalled 13,000 tons, as against 14,000 tons in the previous month and 26,000 tons in Sept., 1937. For the first nine months of this year output totalled 197,000 tons compared with 242,000 tons for the like period a year ago.

# Thinks British Aid Untimely

## W. S. Herron Says Wider Oil Markets Necessary First

The present is not the time for Alberta oil operators to seek further capital in Britain for the expansion of their oil industry, W. S. Herron, president of Okalta Oils Limited, states in a letter to The Editor of The Financial News of London, Eng., a copy of which he has sent to The Financial Post.

"I would not favor seeking British capital until wider markets for our production have been obtained," he declared. "As long as distress oil is permitted to be shipped in from the great over-production fields of the United States and from South America where oil-field workers get only a few cents a day wages, with not even a dumping duty against such importations, the directors of present established operating companies should confine their efforts to earning returns on the present investment of their shareholders and, with the very limited market now available, it would be folly to put on new promotions for wide development of prospective oil structures, of which there are many in Alberta."

Mr. Herron points out that the requests made to the Dominion Government last year by the Alberta Oil Operators Association for lower freight rates and for a duty on crude oil imported into Canada were both refused.

Yet, he remarks, the Dominion Government supports the farmers of western Canada and its guarantee to the farmer of a minimum price for wheat may burden the Canadian taxpayer with $35 millions on the bonus of wheat alone.

# Nickel—The Stock the World Watches

(Continued from page 11)

really gets going; when the vast demand, long stagnated by war threats, for new plants, new equipment, new railway trains, new public utility systems, new homes, new furnishing is unleashed.

Look at the advantages nickel offers over any other metal. Greater strength, hence lighter weight for the same task, unusual resistance to corrosion and to wear. It is a poor conductor of heat, or cold, or of electricity. It can be welded readily. It is very adaptable to heat treating.

Nickel is the kind of metal the modern world wants. In a thousand places, nickel is synonymous with modernization. Hence, the demand for nickel in a world rebuilding can be expected to increase very much faster than the increase in any other business index.

An instance of the expanding field for nickel: everybody knows cast iron, how easily it cracks. Everybody understands why, for a hundred uses in the modern world, steel had to supplant iron. Now comes nickel as a hardener for iron. The tensile strength of iron alone is somewhere around 20,000: of steel around 50,000. With nickel mixed in, iron tensile strength goes up to almost 50,000.

### Copper Policy

Because its ore demands extraction of copper and nickel at the same time, International Nickel is unable to decrease copper output to fit market needs as are members of the copper cartel. But because of its size, this company has considered it just and wise to exercise control over its marketing of copper.

Business improvement means a great deal to copper. Like nickel, though perhaps to a lesser degree, copper is a commodity which can be expected to enjoy an unusual prosperity because of the reconstruction of plant and equipment and other capital expenditures which are the most likely features of an upturn.

The copper cartel recently seized control of a rapidly rising copper price and increased production. Some marginal producers may come into the field, but observers are virtually unanimous in predicting firm prices for copper at present relatively high prices with good possibility of still higher prices when the business upturn positively manifests itself.

How long Europe and America go on with vast armament programmes is but little concern to International Nickel. The president estimates that probably 10% of nickel produced finds its way into armaments. Complete closing of the armament nickel market would probably be promptly regained in a world confident of peace. Meanwhile, as enormous armament orders flow in, Nickel enjoys this additional pressure of demand for its nickel and copper.

"Nickel is of minor importance in warfare contrasted with steel, copper, zinc and lead," President Stanley has explained. "No nickel whatever is, for example, used in rifle or machine gun barrels or in bayonet steel. Nickel in bullet jackets has been replaced largely by 'gilding metals,' a less expensive alloy containing no nickel whatsoever. Nickel is used in large gun forgings, trucks, airplanes and in armor for battleships. The alloy steels used for the purpose of armament contain only 1% to 5% of nickel and the amount of nickel so used is less than 10% of the world output. Thus nickel is not essentially a war material, nor is it essential to war.

"We have expended over the past 20 years approximately $18,750,000 in research, development and publicity to create peace-time uses for nickel," Mr. Stanley pointed out.

Not to be ignored is the fact that International Nickel is a Canadian company, sharing the freedom of Canadian industry from governmental inquisition and official hostility.

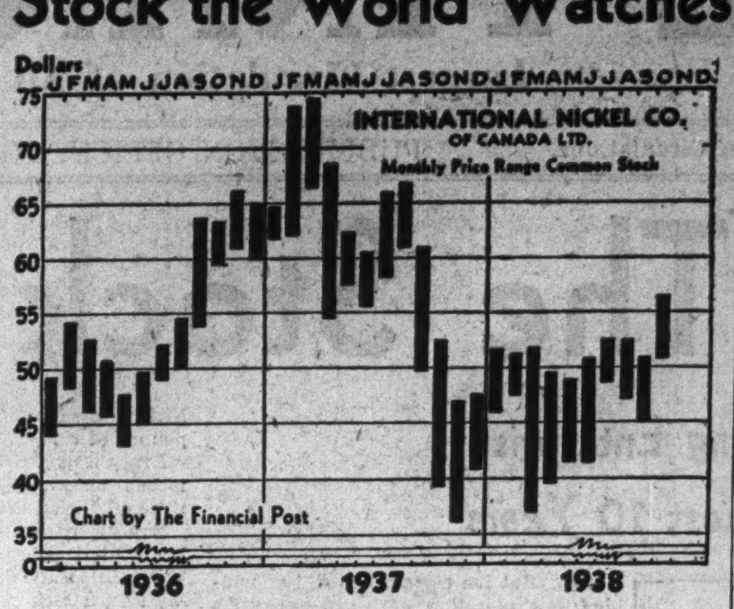
Important is the labor-relations record of the company.

### Stock Set-up

International Nickel has $27,627,825 outstanding in preferred stock, 14,584,025 shares of common stock out. Total dividends distributed from 1894 to the end of 1937 including predecessor companies now merged amount to $227,434,255.

Its net profit has grown from $5 millions in 1931 and a deficit of $135,000 in 1932, to $36.9 millions in 1936 and $50.3 millions in 1937.

The company at latest report had about $48.9 millions cash balance. Said President Stanley, "I cannot stress too strongly the advisability of maintaining substantial cash reserves. The wisdom of this policy has been proved by the experience of this company in the years 1921-22 and again during the recent years of 1932-33."



# Paymaster No. 3 Winze Gives New Ore Lengths

Development on deep levels from No. 3 winze at Paymaster Consolidated Mines, continues to open up ore. On the 1,750-ft. level, the 1,708 east drift shows two ore shoots, one 114 ft. long averaging $9.45 per ton across 78 inches, and a second 60 ft. long, averaging $9.80 across 62 inches. The west drift shows 186 ft. averaging $9.45 per ton across 70 inches. The 1708-1 vein, paralleling No. 8, has been opened for 171 ft. averaging $9.15 per ton over 57 inches.

Drift on the No. 8 vein on the 2,075-ft. level shows 79 ft. averaging $9.45 across 56 inches to the east and 203 ft. averaging $8.40 across 59 inches to the west. The 2,008-1 vein shows 28 ft. averaging $12.95 across 73 inches in the east drift. The parallel No. 2023 vein has been opened for 128 ft. averaging $10.50 over 73 inches.

# Laura Secord Stock Split Approved by Shareholders

Shareholders of Laura Secord Candy Shops have approved the by-law of the company converting 57,500 no par value common shares into 287,500 $3 par value shares, thereby setting up a capital surplus of $41,964.

Directors also declared a quarterly dividend of 20 cents a share, payable on the new stock on Dec. 1 to shareholders of record Nov. 15, and the special $5 bonus payable Nov. 7 to shareholders of record Oct. 31 was approved.

### Treasury Bills

The Dominion treasury has sold $25 millions of bills, dated Nov. 1 and maturing Feb. 1 at 99.81966, on a cost basis of 0.717%. The present sale marks the third consecutive drop in the yield on the bills. On Oct. 14, $30 millions of bills were sold to yield 0.747%.

# Soo Line Reports Larger Deficit

From Our Own Correspondent

MONTREAL.—Operations of Minneapolis, St. Paul & Sault Ste. Marie Railway, which is in receivership, continue on a less satisfactory basis than a year ago.

For September the railway reports a net deficit of $263,324, as compared with a net income of $3,596 in the same month of 1937.

In the first nine months of the year operating revenues dropped $1,198,014 to $10,155,175. Operating expenses were lower but taxes and other charges increased. After providing for all charges, including bond interest, there was a net deficit for the period of $5,176,670, compared with $3,992,632 in the same period of 1937.

Operations of Wisconsin Central Railway, subsidiary of Minneapolis, St. Paul & Sault Ste. Marie Railway, also show a larger deficit than in 1937.

Soo Line
Nine Months Ended Sept. 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Freight revenue | 8,595,870 | 9,591,792 |
| Passenger revenue | 619,568 | 731,390 |
| All other revenue | 939,737 | 1,030,007 |
| Total revenue | 10,155,175 | 11,353,189 |
| Less: Oper. exps. | 9,166,379 | 9,683,603 |
| Net revenue | 988,796 | 1,669,586 |
| Less: Taxes | 932,856 | 554,693 |
| Hire of equip. | 234,871 | 239,741 |
| Rental of terminals | 124,789 | 179,480 |
| Other charges | 508,353 | 351,550 |
| Loss before int. | 812,073 | †344,122 |
| Add: Int. on debt | 4,364,497 | 4,336,754 |
| Net deficit | 5,176,570 | 3,992,632 |

†Profit.

W. C. Rly. Co.
Nine Months Ended Sept. 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Freight revenue | 7,065,481 | 9,050,333 |
| Passenger revenue | 254,482 | 305,990 |
| All other revenue | 580,702 | 686,661 |
| Total revenue | 7,900,665 | 10,042,984 |
| Less: Operating exps. | 6,576,526 | 6,998,157 |
| Net revenue | 1,324,139 | 3,044,827 |
| Less: Taxes | 752,166 | 438,191 |
| Hire of equip. | 325,594 | 517,427 |
| Rental of terminals. | 414,346 | 371,794 |
| Other deductions | 619,270 | 670,889 |
| Earns. before int. | *787,237 | 1,046,526 |
| Less: Int. on debt | 1,242,056 | 1,249,679 |
| Net deficit | 2,029,293 | 203,153 |

*Loss.

*Formal Dresswear*

*FORMAL DRESSWEAR* from "Levy Bros." impart to gentlemen of discernment the character and distinction associated with fine hand tailored clothes and exclusive quality fabrics by well dressed men the world over.

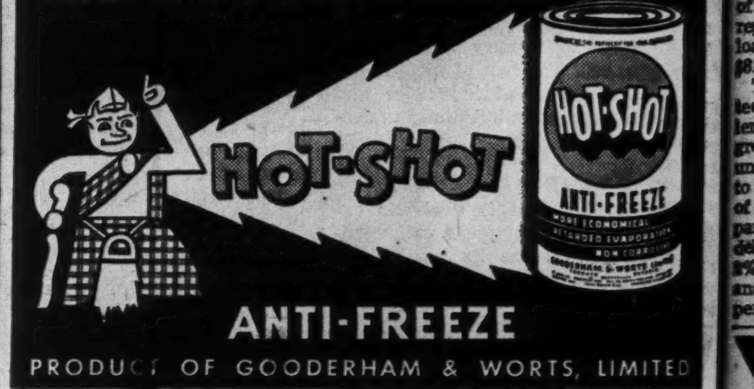
Thirty-four years experience in fine tailoring coupled with an accurate knowledge of style trends has enabled "Levy Bros." to serve an increasing number of patrons.

Levy Bros.

69 WEST KING STREET, TORONTO

### GALLOWAY ACTIVE

Shaft sinking has been started at the property of Galloway Gordon Lake Mines, according to information released by the company. Negotiations are also being carried on for acquisition of two new properties, one of 500 acres in the Yellowknife area and a second located in Quebec between the Larder Lake and Rouyn mining areas. A shaft has been sunk to a depth of 75 ft. on the latter property.



# Brittle Nazi Machine Speeds On

(Continued from page 11)

many prefers to maintain the fiction that the mark is still worth around 40 cents. There may be a social reason for this. Having slowly rebuilt a middle class in Germany, Hitler may not desire to give them a blunt shock by devaluing the mark. The scars of the great inflation have not healed and any government that can maintain the value of the mark is bound to hold the respect of the new rentier class.

It is unlikely that Germany would maintain the mark at its nominal value for this reason only. The chief reason is that by maintaining the mark at present parity (which means at a premium in dollars and pounds and francs and other currencies), the economic planners are able to control not only the volume but the direction of German export trade.

### Selective Devaluation

The system amounts to a "selective devaluation" of the mark. The exporter, who requires a devaluation of, say, 10% to enable him to compete in world markets, gets an export subsidy in cash equivalent to that 10%. If he needs 25%, he gets that, too. If his merchandise is fully competitive, as I imagine German cameras and optical products are, he gets no subsidy at all.

Germany has set up a Gold Discount Bank. Into this large sums are paid yearly that are derived from taxes on German industry. Out of these funds the export subsidies are paid.

Just how the money is raised is a secret, or supposed to be. Seemingly, though, the Nazi New Dealers decide how much each industry ought to contribute and they leave it to the trade associations in those industries to divide the levy among the different firms. This continues the fiction that it is still the voluntary self-help plan that it was in a few industries before Hitler came to power.

I was told that the levy is based upon turnover and is at a rate of about 4% but there seems to be a provision that the charge must not be added in any way to the cost of goods sold by the firms paying the tax so that it is in reality a contribution out of profit. It is not likely that the bureaucrats could prevent some of the tax being concealed in the cost of goods.

Contributions are made by banks with a substantial business in financing foreign trade and also by exporting agencies.

### No Uniform Rate

There is no uniform rate of subsidy. What happens is that an industry will come to one of the local boards dealing with the subsidies and report that if it can get a subsidy of so many marks it can get an order to build an electrical plant in Siam or to supply dyes to Guatemala or toys to Canada. If it does not get the subsidy, the electrical order will go to Schenectady or the dye order to England or the toy order to Japan. After it has filled out a few score forms, it may or may not get the subsidy.

The effect of the transaction is that German prices are thus adjusted to world prices. The manufacturer in Germany gets his full price in the "hard money" of German marks and the foreign buyer pays the world price in the easy money of his own depreciated currency.

As one may imagine, the red tape surrounding the operations of such a complicated system of bonusing exports presents an involved and frightening pattern, even for Germany, the original home and the continuing domicile of bureaucracy at its biggest. I was told that one bank in Berlin has over 500 employees in its foreign exchange department (many of whom, of course, deal with matters arising out of clearing as well as out of bonused exporters).

How much is collected and paid out is another secret. But a good estimate is that the collections last year were about 1,000 million Reichmarks. As Germany's exports totalled between 5,000 million and 6,000 million Reichsmarks, it will be seen that she is giving her exporters an average subsidy of around 20%. A good deal of German trade is competitive and needs no subsidy. Much of it is done with one or more of the scores of varieties of blocked marks, registered marks, Aski marks and other marks that exist in calculated confusion in Germany. So it is likely that the average subsidy on the benefitted exports is about 25%.

The highest subsidy paid runs about 40%.

### Germany Speaks

Recently a British publisher brought out a book called "Germany Speaks." In it, various Nazi top hats tell the story of the things that are going on under their direction. Dr. Schacht contributes an article on financial and economic Germany. I could not find a single reference in the article to this control of and bonusing of exporters. But I did find this sentence:

> "I do not believe that the devaluation of the Reichsmark would contribute in any way toward the improvement of the international situation. It is quite impossible to effect such an improvement by currency manipulations."

The good doctor must have written that with his tongue in his cheek. Devaluation of currency represents a much slighter degree of currency manipulation than the scheme that is disguised as an export bonus but which, in effect, means that one exporter sells in a mark valued at one level, while his neighbor sells in a mark valued at another.

It is charged by some students of the German exchange and export control that the Reich deliberately seeks to avoid building up credit balances in the countries where she owes money lest the creditors point out that the much-discussed problem of transfer no longer exists and Germany ought to begin paying some of her debts. It is easier to get an export subsidy to sell to one of the smaller debtor countries in southeastern Europe or in South America, where German commercial aims have a political significance, than it is to get a subsidy to sell in Britain or the United States.

### Real Value of Mark

By way of sidelight on the situation, it is interesting to post the question: "What is the real value of the German mark?"

The answers are as numerous as the varieties of marks. So many different kinds of marks have risen out of the operations of the standstill agreements, the clearing systems and the control of foreign exchange that one can buy marks at almost any price, depending upon the purpose for which one wants to use them.

If one wants to buy goods in Germany one pays the normal rate of exchange—about 40 odd cents. At this rate, whatever merchandise one buys is expensive. Actually, though because of the export subsidies, while the mark is bought at a high price, the goods themselves are bought at a low price, and it works out about the same as though the marks were devalued.

If one wants to travel in Germany one buys travel marks at a discount of around 45%. These may be used for hotel expenses, etc. In truth, though, all travellers use whatever they can get for small purchases of goods, souvenirs, etc., and no customs officer or S. S. trooper ever objects. The amount any traveller may buy is normally limited to 50 marks a day, although it is easy to get a special permit to buy 100 marks a day. These marks really belong to outside creditors of Germany and it is they who take the loss in order to get out of the country money they could not otherwise recover in their own currencies.

If one wishes to invest money in Germany, the marks can be bought at a very low figure of about 3½ cents apiece.

### Vast Variety

In between these extremes there is a vast variety of special and registered marks, selling at a broad range of discounts. I have not yet found any single banker who himself knew all about the different forms of marks or who could clearly explain how each type came into being.

I asked one well-informed Swiss Banker to give me his estimate of the real value of the mark, what it might be selling at if there were no rigid exchange control, no hermetically-sealed monetary frontiers in Germany. He estimated it at between 8 and 15 cents. Another authority put it at about 20 cents. If Germany devalued, the mark, would lose at least half its present "value."

But Germany has no intention of devaluing. The present system serves better the politico-economic aims of the present regime. Through clearing agreements Germany can make economic vassals or allies of many different countries. It can rigidly control its trading with other nations.

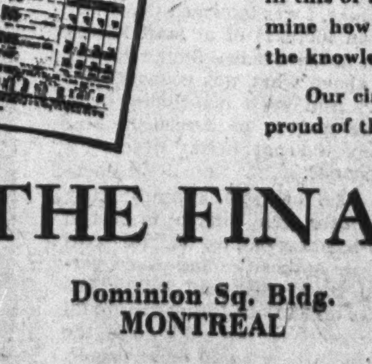
As part of the scheme of economic discipline, the raw material purchases of German mills are strictly controlled. Germany has reached the point where her export trade is endangered by the difficulty of financing raw material purchases from abroad. The new trade penetration into the Danube area may relieve the pressure in this respect.

### Accomplishments

In the end Germany accomplishes several things by such a rigid control of her foreign trade.

She needs some measure of direction, of course, as part of the system of foreign exchange control which has sealed up Germany so far as money is concerned. She is enabled to import and export to a degree that she might find it difficult to do if she were to devalue her currency and attempt to manage a new currency with a coverage of less than 2% in gold and foreign exchange.

Beyond these things she is enabled to give a political direction to all of her foreign trade. She can use her commercial salesmen and her manufacturers as agents of the great Nazi regime.



ABC

THIS IS THE PICTURE THAT IS WORTH A THOUSAND WORDS

*to* BUYERS OF ADVERTISING SPACE

If you buy advertising space today, you have one tremendous advantage over advertisers of twenty-five years ago.

Before 1914, men would have given an eye-tooth for the vital information on circulation which you can have for the asking—in A.B.C. reports. These reports give complete, authoritative facts to guide your buying and to make your advertising more effective.

A.B.C. reports reveal and analyze NET PAID CIRCULATION—the true measure of advertising value. A.B.C. reports answer these three vital questions about circulation: how much is there? where is it? how was it obtained? The answers give verified information on *quantity*, and an important index on *quality* of circulation.

Don't fail to make use of this great advantage. Before you buy space in this or any other publication, get the A.B.C. report. Study it. Determine how the circulation meets your requirements. Then buy with the knowledge that you are buying wisely and effectively.

Our circulation is fully audited in our latest A.B.C. report. We are proud of this report and will be glad to give you a copy.

THE FINANCIAL POST *An A.B.C. Publication*

Dominion Sq. Bldg.
MONTREAL

481 University Ave.
TORONTO

**A.B.C.** = Audit Bureau of Circulations = FACTS as a yardstick of advertising value

This paper has long been an A.B.C. member because we believe in selling known value. Canadian publishers helped establish the A.B.C. in 1914.

*Construction*

# H.I.P. Volume Turns Upward

## Lag Behind 1937 Operations Narrowed in Recent Months

After falling seriously below 1937 levels during the spring and early summer, volume of Home Improvement Plan loans is swinging back to last year's figures. If the trend can be maintained, monthly totals of H.I.P. loans for the fall and coming winter should compare favorably with records of a year ago.

According to an analysis furnished The Financial Post of H.I.P. operations by months, the latest available monthly loan total (for August) showed a decline of only half of 1% in comparison with the same month of 1937. This comparison is encouraging in the light of decreases of 8% in a similar comparison for the July total, and 10% in June, and 17% in May. The earlier months showed an even greater falling off, and the combined total for April-August inclusive is 11% below the same period in 1937.

A revised report for the cumulative total of loans up to the end of August gives a figure of $20,615,736, a substantial increase over the preliminary total reported of $19.4 millions. Detailed comparative figures for the past few months follow:

**Home Improvement Loans**
(Monthly totals)

| | 1938<br>$ | 1937<br>$ |
|---|---|---|
| April | 956,147 | 1,239,614 |
| May | 1,325,440 | 1,605,843 |
| June | 1,436,798 | 1,592,290 |
| July | 1,232,638 | 1,341,677 |
| August | 1,138,258 | 1,145,851 |
| Total | 6,089,281 | 6,925,275 |

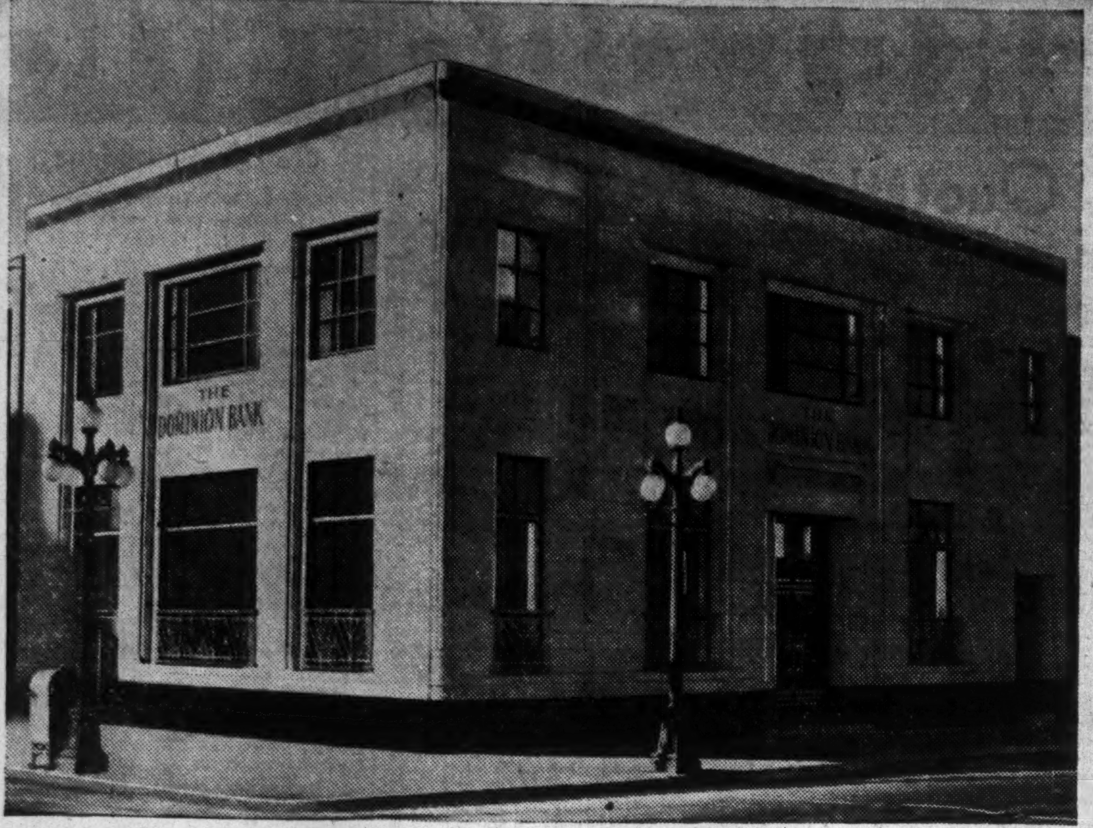
### Repayments Good

An excellent record of repayment of Home Improvement loans was revealed in figures issued by F. W. Nicolls, housing director of the Department of Finance, as the Home Improvement Plan completed its second year of operation on Nov. 1.

Mr. Nicolls announcement showed that 40% of the loans made to date have already been repaid, both as to number and amount. Since Nov. 1, 1936, 52,600 loans for an aggregate of $21 millions have been made, and repayment has been made of 21,000 loans involving amounts totalling $8.5 millions.

Though the Government guarantees to absorb losses suffered by lending banks up to 15% of the aggregate amounts loaned, payments under this guarantee have amounted to less than $5,000 or about one sixth of 1% of the loan total. This compares very favorably with the bad debt loss ratio of between 1% and 2% on ordinary commercial loans, and with the loss ratio of 1.17% experienced with the United States equivalent of the Home Improvement Plan.

Noting that some loans were for terms of five years, but that the average term was only 30 months, Mr. Nicolls predicted that the long term loss ratio of H.I.P. would not exceed 1%. Of the 25 claims paid under the guarantee arrangement, most involved fraudulent representations at the time of borrowing, rather than delinquency of persons who borrowed in good faith.



*NEW DOMINION BANK*

The new building of the Victoria (B.C.) branch of The Dominion Bank is one of the most modern bank buildings in Canada. General severity of the design is relieved by bronze grilles, reeded stone corners and recessed and carved doorway. Carving over the entrance depicts industries of the western provinces. Features of the interior are the black and silver counters, manager's screen, low silver grilled tellers' cages and an absence of screens or obstructions of any kind on the counter. The building was opened for business last week by Robert Rae, general manager of the bank.

## Building Products Sales Maintained

MONTREAL.—Sales and earnings of Building Products in the current year to date compare favorably with the same period last year.

Final returns should approximate results obtained in 1937 when the company earned $3 a share on its class A and class B stock. In the event that earnings are maintained, the company can be expected to declare an extra dividend payable Jan. 2 next. Out of current year's earnings the company has paid three quarterly dividends of 50 cents each. Last year it paid total dividends of $2.45 a share.

# Building Total Shows Decline

## But Better Volume Seen in Business, Residential Fields

Better volume of business and residential construction featured new building activity in Canada during October, it is shown by the monthly bulletin of MacLean Building Reports.

The advances in these two fields were more than offset, however, by declines in industrial and engineering construction. This produced a net decrease of 10% in the grand total, in comparison with the figure for Oct., 1937. Contracts awarded last month totalled $18,111,000 in value, compared with $20,169,000 for the same month last year.

### Business Jobs Up 31%

The increase in business building was 31%, chiefly due to the award of the contract for the $2.5 millions Supreme Court Building at Ottawa. The rise of 6% in residential construction was largely due to activity of apartment house builders. The residential and business figures combined advanced about 20%, while engineering and industrial building operations fell off about 50%.

Total of contracts for the first 10 months of the year is reported at $161,572,700, a drop of 18.6% in comparison with the total of $198,576,800 for the same period of 1937.

Following is a detailed comparison of last month's totals in the four main classifications:

**Building Contracts Awarded**
(In 000's of Dollars)

| | —October— | | % |
|---|---|---|---|
| | 1938 | 1937 | Change |
| Residential | 5,157 | 4,866 | +6 |
| Business | 8,450 | 6,398 | +31 |
| Industrial | 1,241 | 2,205 | —40 |
| Engineering | 3,263 | 6,700 | —50 |
| Total | 18,111 | 20,169 | —10 |

**Winnipeg Suburbans, Man.**—Arrangements between bondholders and the City of St. Boniface, Norwood, and St. Boniface school district, the Town of Transcona and the municipalities of West Kildonan and St. Vital by the Municipal and Public Utilities Board have been approved by an order-in-council passed by the Provincial Government.

# Construction World

### *Anti-building Codes*

Much has been said and written about the adverse effect on building activity of inadequate building regulations and absence of proper zoning restrictions. This has been particularly reflected by reluctance of lending companies to finance house building in smaller communities or in certain sections of large centres. One of the chief provisions of the new National Housing Act is designed to protect the lending firms against loss to induce them to make loans in such districts.

But an equally important factor, about which less has been said, is unduly restrictive building regulations. There is not much the Government or lending institutions can do in such localities, but what might be called the anti-building regulations discourage prospective builders even when they can make financing arrangements. The problem was given pointed mention in a recent address by F. W. Nicolls, director of housing of the Dominion Department of Finance. He said:

"It has been forcibly drawn to our attention that certain cities are enacting new building codes, blindly following the lead of cities that have unreasonable requirements. Experience indicates that, as a result of these changes, costs have increased and house building in these cities has received a serious setback and the bulk of the residential construction is going ahead in suburban areas, where the building requirements are more reasonable."

• • •

### *Low-rent Project*

Winnipeg authorities have gone ahead with their tentative hope of drafting specific detailed plans for a low rental housing project, suitable for financing under the low-rate loan provisions of the new National Housing Act (Section II). The specifications submitted to civic officials by Ralph C. Ham, architect, call for total outlay of $1,463,000 and would house 474 families in six-family apartment units and row houses. Building would cover three acres and be grouped around 10 acres of parks, playgrounds, walks, and other separating spaces.

Unit-cost rentals would range from $22 a month for two-bedroom apartment suites down to $19.25 for smaller suites in row houses. Actual rentals would have to be higher to absorb financing and maintenance charges. Unless Winnipeg is distinctly different from the Dominion as a whole, such rentals would be too high to carry out the purpose of the Housing Act to accommodate low wage earners at rentals they can afford. However, the plans are now being checked by federal officials and Winnipeg experts, and it may be that the cost per unit can be reduced.

## New Building

**Bell Telephone Co.** is checking tenders for construction of new exchange building in Hamilton, Ont.

**H. Simon & Sons Ltd.**, cigar manufacturer, has awarded contract for construction of $80,000 factory and office building in Town of Mount Royal, Montreal suburb.

**Zellers Ltd.** has let contract for erection of $250,000 department store in Halifax to Standard Construction Co., Halifax.

**National Electricity Syndicate**, Quebec Government public ownership body, has had plans drafted by F. A. Gaby, Montreal, consulting engineer, for $5 millions power development on the Upper Ottawa River near Noranda, Que.; work may be commenced before the end of the year.

**John Labatt Ltd.** plans an immediate start on construction of $60,000 office building at its brewery in London, Ont.

**Canadian Broadcasting Corp.** has let contract and started work on construction at Watrous, Sask., of powerful radio transmitter plant for western broadcasting. Cost of main building will be $93,000, but cost of plant as a whole will be $250,000, including transmission equipment and 450-foot tower to be erected by **Canadian Bridge Co.**, Walkerville, Ont.

**Dominion Dept. of Transport** has ordered plans drafted for $1.2 million subway in Montreal under Lachine Canal, construction of which is planned for 1939.

**Ontario Government** is issuing a $15 millions bond issue (12 years, 3%) to finance highway projects, chiefly completion of an extensive programme of road development in Northern Ontario.

**Joseph B. Ryan**, Philadelphia, has let further contracts for preliminary development of $250,000 resort project at Mont Tremblant, Que., outlay for this year being estimated at $80,000.

**City of Ottawa** authorities are studying proposal that $800,000 building be erected to house City Hall offices and other civic departments.

**H. W. Phelan**, of the Canada Railway News Co., Toronto, is initiating construction of five-story apartment house in the central section of Toronto.

Reported by Engineering & Contract Record:

**Cape Breton Hospital Board** is checking tenders for erection of addition to hospital at Sydney River, outlay on which is likely to total $150,000.

**Toronto Board of Education** is preparing to have $140,000 addition built at Malvern Collegiate.

# Opposes Seaway Deal

## J. B. Challies Cites Four Major Objections to St. Lawrence Plan

Though believing that the development of the St. Lawrence Waterway scheme is inevitable, J. B. Challies, president of the Engineering Institute of Canada, before the Empire Club of Winnipeg, expressed the conviction that President Roosevelt's proposal was not acceptable to Canada.

So far as Canada is concerned said Mr. Challies, the key to the economics of the Waterway is Ontario's attitude toward the cost of the dam and works in the St. Lawrence which the power should bear. Until Ontario is willing to assume this $67.2 millions obligation, it is difficult to see how Canada's share of the cost of the waterways can be financed, he added.

### New Scheme Better

"The present Ontario Government having several times refused definitely, almost defiantly, to co-operate with the Dominion Government on the basis of the Hoover treaty, an effort has been made by the U. S. Government to evolve a new project that would prompt the Province of Ontario to change its attitude. American Secretary of State Cordell Hull, a few weeks ago, submitted new proposals which are so much more attractive to Ontario than the Hoover treaty that a leading eastern daily headed its editorial comment with the caption: 'Roosevelt Baits the Hook.'"

### Lists Four Objections

While the Hull proposal is definitely more favorable to Canada and especially Ontario, Mr. Challies says there are four important objectionable features.

The first is that the Roosevelt Treaty will in effect establish a new and permanent American servitude over the purely Canadian St. Lawrence canals. Along these lines Mr. Challies points out that in 1928, the late Sir Clifford Sifton, then head of the National Canadian Advisory Committee, recommended, "that in the event of a new treaty being negotiated, the United States should not be given any greater rights than obtained in existing treaties." However, Mr. Challies says, this important enlargement of existing rights would not be so hard to accept if it were accompanied by a comparable guarantee to Canada of similar rights to the present or any future canals in American territory connecting Lake Erie with the Hudson River.

### Costs Are Unfair

The second objectionable feature is that the division of costs is unfair to Canada.

In commenting upon this, the president of the Institute said the Roosevelt Treaty is predicated upon an equal division of capital cost of the entire Waterways from the Great Lakes to the ocean. This in spite of the opinion of the International Joint Commission that the cost be shared in proportion to results and benefits and the specific recommendation of the National Canadian Advisory Committee for a division of costs that would allocate much the greater share to the United States.

At the very least, Mr. Challies contends, Canada should get credit for the $30 millions spent upon the ship channel below Montreal and for the millions spent upon the St. Lawrence Canal between Montreal and Lake Ontario which will be superseded by the new Waterway. American shipping has had free and uninterrupted use of these facilities ever since they were established.

The division of maintenance and operation costs will be unduly burdensome to Canada, was the third objection raised by Mr. Challies.

As the greater part of the canalization facilities, for example, the Welland and Lower St. Lawrence locks, will be north of the International boundary, Mr. Challies says this obligation imposes a disproportionate share of maintenance and operation costs upon the Dominion. "Not only is this disparity in essence discriminatory against Canada, but when considered in the light of the anticipated predominant use of the navigation facilities by American tonnage and a much greater contribution by Canada to ancillary navigation aids, such as lighthouses, buoys, range marks, etc., discrimination borders upon an injustice."

### Settle Chicago Diversion

The fourth objectionable feature raised by Mr. Challies is that the Chicago diversion will be settled, but in favor of the United States.

After pointing out the rights of the two countries to the diversion of water from the Great Lakes System, Mr. Challies says, "it must be remembered that every successive Canadian Government, since the Chicago water steal was started, has consistently and persistently insisted, in all representations to Washington, that the Chicago diversion was in essence illegal and must be stopped." The acceptance of the Hull proposals would mean the abandonment of claims against the Chicago diversion in favor of the United States.

Concluding his remarks to the Empire Club, Mr. Challies said: "I believe this great enterprise is inevitable. It will be inaugurated and completed in my time, but not upon the basis for treaty as presently proposed by President Roosevelt."

# Maurice Power Lets Contract

## Dominion Engineering to Build Four Turbines at $500,000

From Our Own Correspondent

MONTREAL.—St. Maurice Power Corp., controlled by Shawinigan Water & Power Co. and Brown Corp., has placed a contract with Dominion Engineering Co. for the manufacture of four hydraulic turbines for installation at La Tuque.

Approximately $500,000 is involved in the order, and delivery of the turbines will commence in the spring of 1940. The preliminary construction work at La Tuque is well advanced and the company will be in a position to make delivery at that time.

### Develop 40,000 h.p. Each

The new turbines will be capable of generating 40,000 h.p. each at 104 feet head, 112 r.p.m. At the powerhouse substructure, on which work is now progressing, provision is being made for the future installation of two additional units of equal capacity, so that this development when completed will provide in all for an additional 240,000 h.p. to the Shawinigan System.

Conveying & Elevating Equipment
Modern Power Transmission Equipment
Coal & Ore Handling Bridges
Welded Processing Equipment
Steam Generating Equipment
Inquiries Invited
UNITED STEEL CORPORATION LIMITED
TORONTO . . WELLAND DODGE MANUFACTURING DIVISION CANADIAN MEAD MORRISON MONTREAL . . WINNIPEG

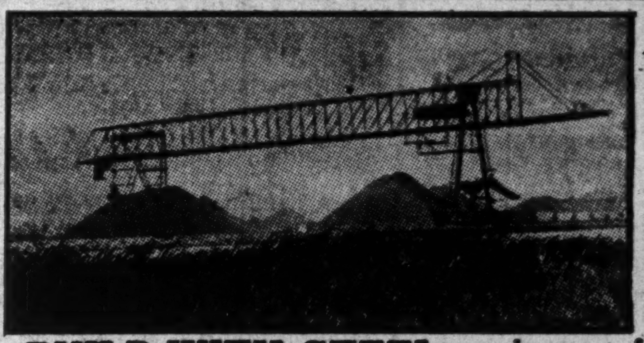
DOMINION Battleship LINOLEUM
"An Excellent Investment" SAYS SUPERINTENDENT OF CANADA LIFE BUILDING Toronto

Installed when the building was built in 1931, the Dominion Battleship Linoleum floors maintain their excellent condition so it's no wonder that R. B. Simpson, Building Superintendent, regards them as an excellent investment.

Dominion Battleship Linoleum is giving similar satisfaction, comfort and economy in buildings all across Canada. It comes in 19 colours and effects to be laid with or without border treatment or in tile or other designs. Ask your architect or flooring contractor about our 5-year guarantee.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED - MONTREAL
"How much of your overhead is underfoot?"

AUDITORIUM Air Conditioning Systems
Systems similar to those in use at the PARAMOUNT THEATRE, CORNER HOUSE, BRITISH BROADCASTING STUDIO in London, Eng.; in the S. S. QUEEN MARY and in more than a thousand other prominent buildings and shops throughout the Empire and the U. S. can be installed for you by any authorized contractor. Auditorium Systems insure lower initial and operating cost and produce true air conditioning. Investigate before you decide upon any system.
Write For Bulletin THE AUDITORIUM PLAN
AUDITORIUM AIR CONDITIONING LTD.
VICTORIA BUILDING OTTAWA, CANADA

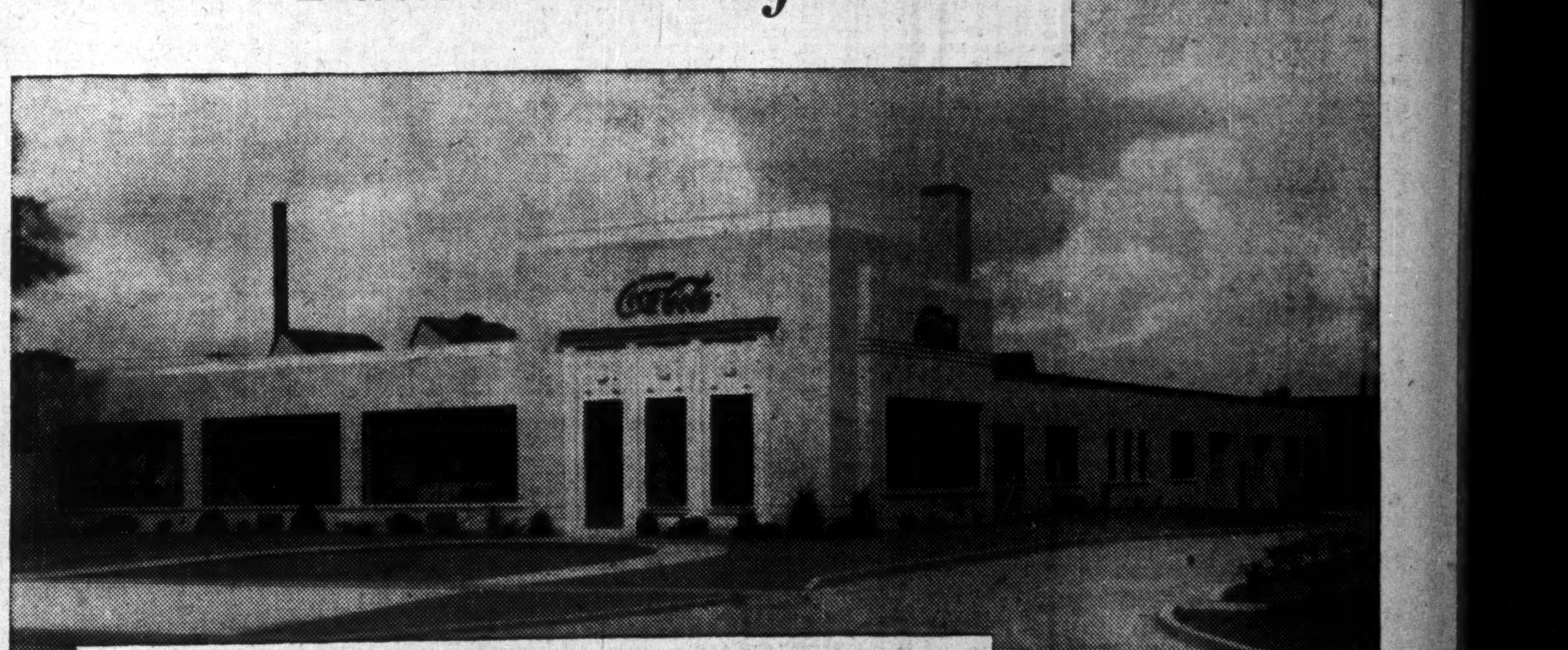


BUILD WITH STEEL . . . because of its advantages — Strength, Security, Speed, Economy, Adaptability and Compactness. The Hamilton Bridge Company is equipped to render the highest type of service on Steel Fabrication and Erection. When Plain Angles, Beams, Channels, Plates and Bars are required quickly, call the Hamilton Bridge Company.
HAMILTON BRIDGE COMPANY LIMITED
HAMILTON CANADA

DUST SEPARATION
COVERING
ELIMINATION of grit and fly-ash from flue gases of boilers and furnaces, or
RECOVERY of dusts having a commercial value by the
"MICRO-LECTOR" PROCESS
(Van Tongeren World Patents) of the Buell Combustion Co. Ltd., London, England.
ENSURING
HIGHEST EFFICIENCY : LOWEST DRAFT LOSS
FREEDOM FROM MAINTENANCE
*Manufactured in Canada by*
NATIONAL STEEL CAR CORPORATION LIMITED
Modern Builders of Railway Passenger and Freight Cars — Industrial Cars — Forgings.
*Manufacturing Agents for LaPlant-Choate Mfg. Co. Inc., leading manufacturers of tractor equipment for earth and snow removal*
HAMILTON, ONT. - MONTREAL, QUE.

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
ESTABLISHED 1896
LONDON · TORONTO · WINDSOR · WINNIPEG · VANCOUVER

FOR THE *"Pause that Refreshes"*



This new plant for the Coca Cola Company was recently completed by Foundation at Windsor, Ontario. It stands as a fine example of what modern industrial buildings can achieve in handsome, utilitarian design. Foundation take as much pleasure in the meticulous completion of smaller industrial jobs of this kind as they do in immense projects. Whatever the size of the undertaking, the best of men and materials are always available through Foundation.

THE FOUNDATION COMPANY OF CANADA LIMITED
MONTREAL TORONTO HALIFAX

# STOCK AND BOND MARKET QUOTATIONS

## Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 31

* 1937.
▲ On account of arrears.
‡ Plus extra of $2 paid Feb. 1, 1938.
● Initial.
b New York quotations.
• Stock bonus.
† Interim.

## Mining Stocks

## Oil Quotations

## Vancouver Stock Exchange

## Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Nov. 1, 1938

| Public Utility Issues: | Int. Rate % | Due | Bid Nov. 1 | Asked Nov. 1 | Bid Oct. 25 |
|---|---|---|---|---|---|
| †Assoc. Tel. & T. | 5½ | '55 | 70 | 80 | 78 |
| Beauharnois P. | 5 | '73 | 100 | 103 | 98½ |
| B. C. Power | 4½ | '60 | 100 | 103 | 100 |
| B. C. Telephone | 4½ | '61 | 106 | 109 | 106 |
| †Calgary Power | 5 | '60 | 101 | 104 | 101½ |
| Do. | 5 | '64 | 100½ | 103½ | 100½ |
| †Can. Nor. Pwr. | 5 | '53 | 104 | 107 | 104½ |
| ‡Dom. Gas & El. | 6½ | '45 | 89½ | 92½ | 88½ |
| ‡Gatineau Pwr. | 5 | '56 | 104 | 107 | 104 |
| Gt. Lakes Pwr. | 4½ | '56 | 99 | 102 | 97½ |
| ‡Inter. Hydro-E. | 6 | '44 | 78½ | 81½ | 78 |
| ▲Inter. Power | 6 | '55 | 100½ | ... | 106½ |
| †Macl'n-Que. Pr. | 5½ | '61 | 103 | 106 | 103 |
| Do. | 5½ | '64 | 103 | 106 | 103 |
| Mtl. L., H. & P. | 3½ | '56 | 102½ | 105½ | 101 |
| Do. | 3½ | '73 | 98½ | 101½ | ... |
| †Mtl. Tramways | 5 | '41 | 98½ | 101½ | 98½ |
| †Do. | 5 | '55 | 74½ | 77½ | 74 |
| Nat. Lt. & Pwr. | 6 | '49 | 96 | 99 | 95½ |
| N. S. Lt. & Pr. | 4 | '57 | 100½ | ... | 100½ |
| ‡Ottawa Light Heat & Pwr. | 4 | '57 | 102 | ... | 101½ |
| †Ottawa V. Pwr. | 5½ | '70 | 105½ | 108½ | 105½ |
| †Power Corp. | 4½ | '59 | 103½ | 106½ | 103 |
| Quebec Power | 4 | '62 | 99 | 102 | 98 |
| §Saguenay Pr., A | 4½ | '66 | 104 | 107 | 104½ |
| Do., B | 4½ | '66 | 104 | 107 | 104 |
| Shaw. W. & Pr. | 4½ | '61 | 102 | 105 | 101½ |
| Union Gas | 4 | '50 | 101 | ... | 101 |
| Wpg. El. Ser. A | 4½ | '65 | 65½ | 68½ | 64 |

| Industrial and Realty Issues: | Int. Rate % | Due | Bid Nov. 1 | Asked Nov. 1 | Bid Oct. 25 |
|---|---|---|---|---|---|
| †Abitibi P. & P. | 5 | '53 | 69 | 72 | 69 |
| Acadia Sugar | 4½ | '55 | 101½ | ... | 101½ |
| †Alta. Pa. Grain | 6 | '46 | 89 | 92 | 89½ |
| Atlantic Sugar | 4 | '51 | 99½ | ... | 99½ |
| B. A. Oil | 4 | '45 | 103 | 106 | 103 |
| †B. C. P. & Pap. | 6 | '30 | 83 | 87 | 81 |
| §Brown Co. | 5½ | '46 | 56 | 59 | 57½ |
| †Burns & Co. | 5 | '58 | 57½ | 60½ | 58 |
| Canada Bread | 6 | '41 | 107½ | 110½ | 107½ |
| Canada Cement | 4½ | '51 | 103 | 106 | 103 |
| Canada Paper | 4½ | '52 | 99 | 102 | 98½ |
| Can. Steamship | 5 | '57 | 83 | 86 | 82½ |
| Candn. Canners | 4 | '51 | 100½ | 103½ | 100 |
| ‡Can. Int. Paper | 6 | '49 | 99 | 102 | 99 |
| ‡Candn. Vickers | 6 | '47 | 95½ | 98½ | 95½ |
| C. P. R. | 3½ | '51 | 88½ | 91½ | 89 |
| Do. | 4 | '49 | 91½ | 94½ | 92 |
| Do. | 4½ | '44 | 94½ | 97½ | 95 |
| Do. | 6 | '42 | 104 | 107 | 103½ |
| Do., debs. | 4 perp. | | 81½ | 84½ | 82 |
| †Consol. Paper | 5½ | '61 | 34½ | 57½ | 54 |
| Dom. Coal | 4½ | '52 | 102½ | ... | 102½ |
| ▲Dom. Stl. & C. | 6½ | '55 | 100 | 103 | 101 |
| Dom. Tar | 4½ | '51 | 101½ | ... | 101 |
| †Donnacona P. | 4½ | '56 | 80 | 83 | 79 |
| Famous Players | 4½ | '51 | 97½ | 100½ | 97½ |
| †Federal Grain | 6 | '49 | 93½ | 96½ | 93½ |
| †Fraser Cos. | 6 | '50 | 99 | 102 | 99½ |
| Gen. Stl. Wares | 4½ | '52 | 96½ | 99½ | 96 |
| ‡Great Lakes P. | 5 | '55 | 89 | 92 | 89 |
| †Gypsum, Lime. | 5½ | '48 | 98½ | 101½ | 99½ |
| Ham. By-Pr. C. | 6 | '55 | 99 | 102 | 100 |
| Inter-City Bak. | 5½ | '48 | 103 | ... | 102½ |
| ‡Inter. P. & P. Nfld. | 4½ | '68 | 100½ | 103½ | 100½ |
| Lake St. John P. & P. | 5½ | '61 | 92 | 95 | 91 |
| Maple Leaf M. | 5½ | '49 | 49½ | 52½ | 49 |
| †Massey-Harris | 5 | '47 | 100 | 103 | 99½ |
| †McColl-Fron. | 4½ | '49 | 98 | 101 | 98 |
| McCormick's | 4 | '52 | 82 | 85 | 81 |
| ‡M. & O. Paper | 6 | '45 | 41 | 44 | 40 |
| Nat. Grocers | 4 | '47 | 101½ | ... | 101½ |
| †N.S. Stl. & C. | 3½ | '63 | 75½ | 78½ | 75 |
| Price Bros. | 5 | '57 | 97½ | 100½ | 97 |
| ‡Prov. Paper | 5½ | '47 | 101½ | ... | 101 |
| †Restigouche Co. | 6 | '48 | 97½ | ... | 97½ |
| Rolland Paper | 4½ | '31 | 102 | 105 | 102 |
| Simpsons Ltd. | 4½ | '31 | 99 | 102 | 99 |
| Smith, Howard | 4½ | '51 | 102 | 105 | 102 |
| †Steel of Can. | 6 | '40 | 108 | 111 | 108 |
| ‡United Gas | 5½ | '48 | 102½ | 105½ | 102 |
| United Gr. Grs. | 5 | '48 | 92½ | 95½ | 92½ |
| †Western Gr. | 6 | '49 | 37 | 40 | 38 |

‡ Payable in Canada or U.S.
† Payable in Can., U.S. or U.K.
▲ Payable in Can. or U.K.
§ Payable in U.S. only.

## Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Nov. 1, 1938

| Industrial Stocks: | Bid | Asked |
|---|---|---|
| Acadio Sugar, pfd. | 4.55 | 5.00 |
| Acme Farmers Dairy, pfd. | 16.00 | .... |
| Algoma Steel, com. | 10.75 | 11.50 |
| Do., pfd. | 37.00 | 38.50 |
| Andian Nat. | 39.50 | 40.00 |
| Anglo Can. Tel., A | 8.55 | 9.50 |
| Barrymore Cloth, pfd. | 17.00 | 22.00 |
| B. C. Pulp & Paper, com. | *12.00 | 14.00 |
| Do., pfd. | *33.00 | .... |
| Burns & Co., A | 5.00 | 6.50 |
| Do., B | 2.00 | 2.50 |
| Canada Starch, 7% pfd. | 105.25 | .... |
| Can. Wire & Cable, pfd. | 102.00 | .... |
| Can. Airways | 1.25 | 2.00 |
| Can. Goodrich, com. | 1.00 | .... |
| Can. Industries, A com. | 235.00 | .... |
| Can. Ingersoll Rand | 128.00 | 133.00 |
| Can. Tube & Steel, com. | 3.25 | 5.00 |
| Do., pfd. | 60.00 | 64.00 |
| Chase, A. W., pfd. bonus | 26.00 | 27.50 |
| Claude Neon, pfd. | 4.75 | 5.00 |
| Cons. Sales Book, pfd. bonus | 80.00 | .... |
| Copeland Flour Units | 5.25 | 6.50 |
| Corrugated Paper Box, com. | 1.50 | 2.50 |
| Do., rts. | .... | 9.00 |
| Dom. Manufacturers, com. | 4.00 | 5.00 |
| Do., pfd. | 61.00 | 65.00 |
| Dominion Woollens, pfd. | .75 | 1.00 |
| Dunlop Tire, pfd. par $25 | 19.25 | 20.50 |
| Easy Washing, pfd. | 8.30 | 10.00 |
| Federal Grain, com. | 1.90 | 2.20 |
| Do., pfd. | 27.00 | 30.00 |
| Goderich Elevator | 6.30 | 7.00 |
| Guelph Carpet, pfd. | 104.00 | 105.50 |
| Do., com. | 16.00 | 17.75 |
| Hayes Steel Prod., com. | 8.25 | 9.00 |
| Do., pfd. | 8.50 | 9.25 |
| Highland Dairy, pfd. | 42.50 | 47.00 |
| Kingston Shipbuild. Units | 9.50 | 10.50 |
| Loblaw Inc., pfd. bonus | 72.50 | 75.00 |
| Morrison Brass, pfd. bonus | 5.50 | 7.50 |
| Morrow Screw, pfd. bonus | 93.50 | 98.00 |
| Neilson, Wm., com. | 6.25 | 8.00 |
| Do., pfd. | 98.00 | .... |
| New Brunswick Tel., com. | 12.25 | 13.00 |
| New Method. Laund., pfd. bonus | 50.00 | 55.00 |
| Niag. Lower Arch Bridge, c. | 68.50 | .... |
| Paterson, Wm., pref. | 101.00 | 103.50 |
| Provincial Paper, pfd. | 103.50 | 105.00 |
| Reliance Grain, pfd. | 45.00 | 50.00 |
| Robinson Consol. Cone | 8.50 | 9.50 |
| Ruddy, E. L., pfd. | 27.00 | 31.00 |
| Seal O Sac (Can.) | 6.50 | 7.50 |
| Standard Fuel, com. | 2.00 | 3.75 |
| Do., pfd. | 59.00 | 63.00 |
| Stedman Bros., pfd. par $50 | 54.50 | 58.00 |
| Supertest Pete., B pfd. | 27.00 | 29.00 |
| Toronto Carpet. com. | 28.00 | 32.00 |
| Do., pfd. | 55.00 | 60.00 |
| United Farmers Co-op. | 2.50 | 3.00 |
| United Steel, A pfd. | 19.75 | 21.00 |
| Viceroy Mfg., pfd. & rts. | 22.00 | 24.00 |
| Western Grain, pfd. bonus | 4.50 | 6.00 |
| Western Steel Prod., com. | 8.25 | 9.00 |
| Weston (Geo.) Foods (Eng.) | 4.00 | 4.50 |
| Willards Choc., pfd. | 43.00 | .... |
| **Trusts and Loan Stocks:** | | |
| British Mortgage | 144.00 | .... |
| Commercial Finance, com. | 2.75 | 3.00 |
| Guelph & Ont. Inv., par $50 | 52.00 | 55.00 |
| London & Western Trust | 36.00 | .... |
| Premier Trust | .... | 110.00 |
| Sherbrooke Trust | 120.00 | .... |
| Sterling Trust | 43.00 | 48.00 |
| Traders Fin., A com. | 14.00 | .... |
| Do., B com. | 15.00 | .... |
| Do., A pfd. | 70.00 | .... |
| Do., B pfd. WR. | .... | 92.00 |
| Trusts & Guarantee | 25.00 | 28.50 |
| **Insurance Stocks:** | | |
| Can. Fire Ins. | 84.00 | 86.00 |
| Canada Life Assce. | 480.00 | 492.00 |
| Confed. Life 25% pd. | 140.00 | 152.00 |
| Crown Life Fully pd. | 205.00 | .... |
| Dominion Fire Ins. | 130.00 | .... |
| Dom. of Can. Gen. | 105.00 | 108.00 |
| Empire Life 25% pd. | 10.00 | 11.00 |
| Excelsior Life 30% pd. | 57.00 | 63.00 |
| Federal Fire 25% pd. | 46.00 | .... |
| Great West Life | 295.00 | 310.00 |
| Halifax Fire | 23.50 | 24.25 |
| Imperial Life | 320.00 | 325.00 |
| Manufacturers Life | 241.00 | 250.00 |
| Monarch Life 10% pd. | 24.50 | 28.50 |
| Sovereign Life 25% pd. | 15.00 | .... |
| Sun Life | 480.00 | 500.00 |
| Toronto General | 5.00 | 6.00 |
| Western Assce., pfd. | 42.00 | 45.00 |
| Do., com. | 50.00 | 52.00 |
| **Theatre Stocks:** | | |
| Allens, Kingston, pfd. | 66.00 | .... |
| Do., pfd. | 63.00 | 70.00 |
| Do., St. Catharines, pfd. | 62.00 | 66.00 |
| Do., Tor. 7% pfd. bonus c. | 33.00 | .... |
| Loew's London, pfd. | 3.25 | 4.00 |
| Mansfield Theatre, pfd. | 22.00 | .... |
| Paramount Kitchener, pfd. | 48.00 | 51.50 |
| Do., Oshawa, pfd. | 88.00 | 92.00 |
| United Amusement, A | 12.50 | 14.00 |
| Do., B | 12.75 | 14.00 |
| **Investment Trust Shares:** | | |
| Can. Gen. Invest. | 8.20 | 8.5 |
| Can. Investors Corp. | 6.50 | 7.5 |
| Invest. Found. Units | 53.00 | 55.0 |
| Lon. Can. Inv., com. | 2.00 | 4. |
| Do., pfd. | 32.50 | 37. |
| Sec's. Hold. Corp., pfd. bon. | 17.00 | 18. |
| United Corp. Ltd., A | 21.00 | 22. |
| Do., B | 12.50 | 13. |
| **Power Issues:** | | |
| Can. West. Nat. Gas, com. | 24.00 | 27 |
| Do., pfd. | 95.00 | 9 |
| Great Lakes Power, pfd. | 100.00 | 10 |
| Inter. Util., $7 pfd. | 94.50 | 10 |
| Montreal Island Power, pfd. | 20.00 | |
| Northern Ont. Power, pfd. | 96.00 | 10 |

## Winnipeg Stocks

(Transactions from Oct. 24 to Oct. 29)

| | Sales | High for period | Low for period | Close Oct. 29 |
|---|---|---|---|---|
| Central Man. | 2,300 | .04½ | .04½ | .04½ |
| Dom. Envel. | 30 | 2.30 | 2.25 | 2.30 |
| Do., pref. | 20 | 95.75 | 95.75 | 95.75 |
| Fed. Grain | 1,000 | 1.90 | 1.90 | 1.90 |
| Do., pref. | 15 | 30.00 | 30.00 | 30.00 |
| Flin Flon | 7,200 | .03½ | .02½ | .03½ |
| Gold Lake | 1,000 | .01½ | .01½ | .01½ |
| Gt. Falls M. | 1,000 | .04 | .04 | .04 |
| Gurney Gold | 39,700 | .26 | .20 | .20 |
| Marvel Oils | 400 | .02½ | .02½ | .02½ |
| Packsack | 200 | .03 | .03 | .03 |
| Sachigo R. | 160 | 17.25 | 16.00 | 16.50 |
| Shenango | 100 | .32 | .32 | .32 |
| United Grain | 28 | 6.50 | 6.50 | 6.50 |
| West. Breweries | 5 | 1.50 | 1.50 | 1.50 |
| West. Steel | 32 | 9.00 | 8.00 | 9.00 |
| Wingold | 700 | .03 | .02½ | .02½ |

| Stocks Not Traded in During Week* | Bid | Asked |
|---|---|---|
| Beaver Fire | ... | 100 |
| Can. Indemnity | 125 | ... |
| Can. Airways | ... | 3½ |
| Cres. Cream., pf. | ... | 12 |
| Home Investment | ... | 18 |
| Nor. Can. Mtge., pf. | 3 | ... |
| North. Mtge., part. pf. | 2 | 2½ |
| Northern Trust | 6 | 7 |
| Traders Bldg. | ... | 82 |

*Stocks more active on other exchanges not included.

## Investment Trusts

| | Bid | Asked |
|---|---|---|
| Can. Amer. Trust | 3.70 | 4.00 |
| Can. Inv. Fund, ex-div. | 4.05 | 4.45 |
| Trans-Canada | 12.15 | 13.15 |
| Grouped Income | ... | 5.70 |
| Can. Int. Tr., modified | 5.00 | 5.50 |
| Do., unmodified | 4.50 | 5.00 |
| All Can. Trustee | 12.40 | 13.10 |

## Stock Sales

| | Montreal Markets Indust. | Montreal Markets Mines | Toronto Markets Ind. & |
|---|---|---|---|
| Nov. 1 | 23,000 | 146,500 | 774,000 |
| Oct. 31 | 16,300 | 119,600 | 562,000 |
| Oct. 29 | 8,700 | 74,500 | 314,000 |
| Oct. 28 | 21,900 | 79,400 | 842,000 |
| Oct. 27 | 62,200 | 117,700 | 774,000 |
| Oct. 26 | 37,800 | 84,600 | 828,000 |

## Municipal Bonds

Nov. 1, 1938

| | | | | | |
|---|---|---|---|---|---|
| †Halifax | 5 | 1961 | 113.00 | 114.50 | 4.02 |
| Hamilton | 5 | 1950 | 108.60 | 110.10 | 3.90 |
| Montreal | 5 | 1945 | 103.50 | 105.00 | 4.10 |
| Ottawa | 4½ | 1945 | 108.50 | 110.00 | 2.85 |
| †Quebec | 5 | 1959 | 106.00 | 108.00 | 4.42 |
| Saint John | 5 | 1950 | 107.00 | 108.50 | 4.12 |
| †Toronto | 4½ | 1955 | 113.15 | 115.15 | 3.30 |
| †Vancouver | 5 | 1950 | 89.00 | 92.00 | 5.97 |
| Winnipeg | 5 | 1944 | 98.00 | 101.00 | 4.78 |

†Payable Can. and N.Y.

## Unlisted Mines

TORONTO

November 1, 1938

| | Bid | Ask |
|---|---|---|
| Addington | .11 | .13 |
| Albany R. | .24½ | .26 |
| Algoma Steel | .15 | .18 |
| Amorada | .02½ | .03½ |
| Arjon | .03¾ | .04 |
| Armistice | .03 | .04 |
| Argosy | .04 | .04¼ |
| Arno | .01½ | .02 |
| Athona | .12¼ | .12¾ |
| Area | .08 | .08¾ |
| Barb. Lar. | .19 | .20 |
| Big Master | .03 | .03¾ |
| Bilmac | .05½ | .07 |
| Baldwin | .01½ | .02 |
| Buf. Bear | — | .10 |
| Cuniptau | .04 | .04½ |
| Calder Bo. | .04½ | .05½ |
| Camlaren | .12 | .14 |
| Cana. Pan. | .04 | .04¼ |
| Cana. Kirk. | .01¼ | .01½ |
| Capital Rouyn | .03 | .03½ |
| Central M. | .04 | .04½ |
| Cheminis | .09½ | .09¾ |
| Coin Lake | .03 | .03½ |
| Crowshore | .08 | .10 |
| Cont. Kirk. | .23 | .24 |
| Dawson W. | .02¼ | .02¾ |
| Delandore | .06 | .08 |
| Desantis (new) | .22 | .25 |
| Doreva | .04 | .05 |
| Devon | .21 | .23 |
| Dunlop new | .02 | .02¾ |
| Elmos | .22 | .24 |
| Frontier | .04 | .05 |
| Gate Pat. | .02 | .03 |
| Gilbec | .01¼ | .01½ |
| Goldside | .01 | .01½ |
| Golden Gate | .44 | .46 |
| Golden Tr. | .06 | .09 |
| Gordon Lb. | .03 | .04 |
| Hallnor | 8.75 | 9.25 |
| Halliwell | .10 | .10½ |
| Hislop | .03¼ | .03¾ |
| Hiawa'a | 1.05 | 1.20 |
| Hutch Lake | .04 | .04½ |
| Hugh P.P. | .10½ | .11 |
| Keora | .03 | .04 |
| Kaw Crow | .02¾ | .03½ |
| Kenricia | .32 | .34 |
| Kewagama | .12½ | .13 |
| Kirk. Vit. | .02¾ | .03¼ |
| Kirk. Gat. | .08 | .10 |
| Kirk. Hunt. | .01¾ | .02¼ |
| Lacoma | .03 | .03½ |
| Lafayette | .01¼ | .01½ |
| Lake Duf. | .50 | .54 |
| Lake Gen. | .17 | .19 |
| Lake Rose | .07 | .08 |
| Lamaque | 7.00 | 7.25 |
| Lardego | .06 | .06½ |
| Lucky Kirk. | .06 | .06½ |
| Magnet L. | .11 | .13 |
| Magnet C. | .60 | .64 |
| Manco | .01 | .01½ |
| Martin B. | .13½ | .14 |
| Mata. Cana. | .05 | .05½ |
| Moffatt Hall (New) | .05 | .05½ |
| McFar. L.L. | .02 | .02¼ |
| McCarthy | .04 | .05 |
| McVit. Kirk. | .03 | .03½ |
| Monarch | .02½ | .03 |
| Mosher | .19½ | .20 |
| Mooshla | .05 | .05½ |
| Norlake | .03 | .04 |
| Norbeau | .83 | .85 |
| Negus | .80 | .87 |
| North Shore | .01 | .01¾ |
| Oklend | .19 | .20 |
| O'Leary | .03¼ | .03½ |
| Opemiska | — | .11 |
| Oriole | .03½ | .04 |
| Ossian | .05⅛ | .06 |
| Pascalis | .40 | .41 |
| Porcu. Lake | .09 | .11 |
| Porc. McN. | .91¾ | .93 |
| Plains P. | .90 | 1.00 |
| Planet | .05½ | .05¾ |
| Pontiac R. | .17 | .18 |
| Pelangio | .05½ | .06 |
| Polaris | .68 | .71 |
| Proprietary | 1.77 | 1.80 |
| Presdor | .03½ | .04 |
| Quebec. Mn. | .15 | .16 |
| Rand M. | .18 | .2 |
| Rajah | .02 | .0 |
| Ribago n | .03 | .0 |
| Red L.G.S. | .03½ | .0 |
| Rhyolite | .09½ | |
| Rich Rock | .04 | |
| Rouyn Re. | .02 | |
| Rubec | .02¼ | |
| Sachigo | 16.25 | 17 |
| Shenango | .32 | |
| Sheldon | .09½ | |
| Silver Val. | .03 | |
| Siscoe E. | .04 | |
| Smelter | .05¾ | |
| South Ver. | — | |
| Spooner | .05½ | |
| Sturg. River | .23 | |
| Sunbeam | .34 | |
| Sun Bear | .02¾ | |
| Surf Inlet | .10 | |
| Springer | .08 | |
| Tonawa'a | .03 | |
| Up. Cana. | .64½ | |
| Virita | .01¾ | |
| Williamson | .02 | |
| Wesley | .10 | |
| Wells L.L. | .13 | |
| Westside | .02 | |
| Westwood | .09 | |
| Wh. Horse | .02 | |
| Winoga | .05 | |
| Woco | .12 | |
| Y. Davidson | .27 | |
| Y. Shannon | .01 | |

MONTREAL

November 1, 1938

| | Bid | Ask |
|---|---|---|
| Abbeyville | — | .11 |
| Amity | — | .01½ |
| Brown Cad. | — | .01 |
| Chibmac | .01¼ | .02¼ |
| Cournor | — | .20 |
| Dempsey Cad. | — | .02¼ |
| Dorval Units | — | 8.50 |
| Lake Rowen | .08½ | .10 |
| L. L. Lagoon | .03½ | .05 |
| Leroy | .01 | .01¼ |
| Margaret | — | .10 |
| Obalski | | |
| Pan Canadian | | |
| Routhier Cod. | | |
| Valdor Min. | | |
| Warrenmac | | |

## Government Bonds

(Supplied by Investment Dealers' Association of Canada)

**Dominion of Canada Bonds**

| Nov. 1, 1938 | | Bid | Asked | Approx. Yld. |
|---|---|---|---|---|
| ■2 | 1 Jan. '39 | 100.50 | 101.25 | ... |
| 1 | 1 June '39 | 99.87 | 100.37 | .37 |
| 2 | 15 Nov. '39 | 100.62 | 101.12 | .95 |
| 2½ | 15 Oct. '39 | 101.12 | 101.62 | .80 |
| 4 | 15 Oct. '39 | 102.37 | 102.87 | .97 |
| 1½ | 1 June '40 | 100.25 | 100.75 | 1.02 |
| 4½ | 1 Sept. '40 | 105.25 | 105.75 | 1.30 |
| 1 | 15 Mar. '41 | 99.00 | 99.50 | 1.22 |
| 5 | 15 Nov. '41 | 109.37 | 109.87 | 1.66 |
| 2 | 1 June '42 | 101.25 | 101.75 | 1.50 |
| 3 | 15 Oct. '42 | 104.50 | 105.00 | 1.70 |
| 2½ | 1 June '43 | 102.75 | 103.25 | 1.76 |
| 5 | 15 Oct. '43 | 113.12 | 113.62 | 2.09 |
| 2 | 1 June '44 | 100.00 | 100.50 | 1.90 |
| ■2¼ | 15 Jan. '44 | 102.00 | 102.75 | ▲1.58 |
| 4½ | 15 Oct. '44 | 112.00 | 112.50 | 2.26 |
| 2½ | 15 Nov. '44 | 102.00 | 102.50 | 2.06 |
| ■2½ | 15 Aug. '45 | 102.87 | 103.62 | ▲1.71 |
| 4 | 15 Oct. '45 | 108.25 | 108.75 | ▲2.13 |
| 4½ | 1 Feb. '46 | 112.12 | 112.62 | 2.58 |
| 3¼ | 1 June '49 | 102.75 | 103.25 | ▲2.77 |
| 3½ | 15 Oct. '49 | 103.87 | 104.37 | ▲2.71 |
| 3¼ | 15 Nov. '51 | 102.12 | 102.62 | ▲2.94 |
| ■5 | 1 May '52 | 111.37 | 112.12 | ▲1.43 |
| 4 | 15 Oct. '52 | 108.12 | 108.62 | ▲2.90 |
| 3 | 1 June '55 | 99.37 | 99.87 | 3.01 |
| 4½ | 1 Nov. '56 | 110.75 | 111.75 | ▲2.93 |
| 4½ | 1 Nov. '57 | 111.00 | 112.00 | ▲2.97 |
| 3 | 1 June '58 | 98.37 | 98.87 | 3.08 |
| 4½ | 1 Nov. '58 | 111.87 | 112.37 | ▲3.05 |
| 4½ | 1 Nov. '59 | 112.25 | 112.75 | ▲3.12 |
| ■4 | 1 Oct. '60 | 110.37 | 111.12 | ▲2.90 |
| ■3¼ | 15 Jan. '61 | 103.37 | 104.12 | ▲2.95 |
| 3¼ | 1 June '66 | 100.62 | 101.12 | ▲3.17 |
| ■3 | 15 Jan. '67 | 99.25 | 100.00 | 3.00 |
| ■3 | Perp. bonds | 91.50 | 92.00 | 3.26 |

**Dominion Guaranteed Bonds**

**Canadian National Railway:**

| | | Bid | Asked | Yld. |
|---|---|---|---|---|
| 2 | 15 Jan. '42 | 100.75 | 101.75 | 1.45 |
| 2 | 15 Feb. '43 | 100.25 | 101.25 | 1.70 |
| 3 | 1 May '44 | 103.50 | 104.50 | 2.12 |
| 3 | 15 Dec. '50 | 98.75 | 99.75 | 3.02 |
| 3 | 15 Feb. '53 | 98.25 | 99.25 | 3.07 |
| *4½ | 1 Sept. '51 | 114.75 | 115.75 | 3.02 |
| *4½ | 1 Feb. '56 | 115.50 | 116.50 | 3.25 |
| †4½ | 1 July '57 | 115.50 | 116.50 | 3.32 |
| *4¾ | 15 June '55 | 118.00 | 119.00 | 3.28 |
| 5 | 1 Feb. '54 | 118.75 | 119.75 | 3.35 |
| *5 | 1 July '69 | 116.25 | 117.25 | ▲2.54 |
| *5 | 1 Oct. '69 | 119.50 | 120.50 | ▲3.16 |
| *5 | 1 Feb. '70 | 119.50 | 120.50 | ▲3.21 |

**Provincial Government Bonds**

| | | Bid | Asked | Yld. |
|---|---|---|---|---|
| **New Brunswick:** | | | | |
| 3 | 15 Oct. '51 | 91.25 | 92.25 | 3.76 |
| 3½ | 15 June '56 | 95.25 | 96.25 | 3.79 |
| †4 | 15 Nov. '47 | 102.00 | 103.50 | ▲3.43 |
| †4½ | 15 Apr. '61 | 104.50 | 105.50 | 4.12 |
| †5 | 15 Jan. '60 | 109.50 | 110.50 | 4.25 |
| **Nova Scotia:** | | | | |
| 3 | 2 Jan. '52 | 95.50 | 96.50 | 3.32 |
| 3¼ | 1 June '56 | 97.50 | 98.50 | 3.36 |
| 3½ | 15 Dec. '49 | 100.25 | 101.25 | 3.37 |
| †4½ | 15 Sept. '52 | 109.00 | 110.00 | ▲3.20 |
| †4½ | 15 Nov. '60 | 111.50 | 112.50 | 3.67 |
| †5 | 1 Mar. '60 | 117.00 | 118.00 | 3.77 |
| **Ontario:** | | | | |
| 2½ | 15 May '45 | 100.00 | 101.00 | 2.33 |
| 3 | 1 Dec. '51 | 98.25 | 99.25 | 3.07 |
| 3¼ | 15 Nov. '51 | 100.50 | 101.50 | ▲3.07 |
| *4 | 1 June '62 | 108.25 | 109.25 | 3.43 |
| 4½ | 1 June '50 | 112.25 | 113.25 | 3.17 |
| *4½ | 15 Jan. '62 | 115.50 | 117.00 | 3.44 |
| 5 | 15 Oct. '48 | 115.50 | 116.50 | 3.07 |
| *5 | 2 Dec. '60 | 122.00 | 124.00 | 3.46 |
| 5½ | 1 July '46 | 116.75 | 117.75 | 2.90 |
| **Ont. Hydro Comm.:** | | | | |
| 3 | 1 Aug. '48 | 98.75 | 99.75 | 3.02 |
| 3¼ | 1 Feb. '53 | 100.00 | 101.00 | ▲3.15 |
| 3½ | 1 Apr. '47 | 103.00 | 104.00 | 2.96 |
| **Prince Edward Island:** | | | | |
| 3 | 1 Oct. '45 | 99.00 | 101.00 | 2.85 |
| **Quebec:** | | | | |
| 3 | 1 Nov. '51 | 96.25 | 97.50 | 3.23 |
| 3¼ | 1 Mar. '48 | 99.00 | 100.00 | 3.25 |
| 3¼ | 1 June '52 | 98.00 | 99.00 | 3.34 |
| 4 | 15 Mar. '52 | 105.50 | 107.00 | 3.35 |
| 4¼ | 1 Aug. '58 | 109.00 | 111.00 | 3.48 |
| 4½ | 2 Jan. '63 | 111.50 | 113.00 | 3.69 |
| **Alberta:** | | | | |
| 4 | 15 Dec. '54 | 55.25 | 59.25 | § |
| 4½ | 1 Oct. '51 | 61.00 | 65.00 | § |
| ‡4½ | 1 Oct. '56 | 57.25 | 61.25 | § |
| *5 | 1 Oct. '59 | 60.25 | 64.25 | § |
| †5½ | 1 Apr. '52 | 62.25 | 66.25 | § |
| 6 | 1 Mar. '47 | 64.25 | 68.25 | § |
| **British Columbia:** | | | | |
| †4 | 1 Dec. '57 | 90.25 | 93.25 | 4.53 |
| *4½ | 15 Jan. '51 | 96.25 | 99.25 | 4.58 |
| †4½ | 1 Oct. '53 | 96.00 | 99.00 | 4.59 |
| †5 | 25 Apr. '54 | 99.75 | 102.75 | 4.75 |
| 5½ | 1 Feb. '45 | 101.25 | 104.25 | 4.71 |
| 6 | 15 Feb. '47 | 104.25 | 107.25 | 4.92 |
| **Manitoba:** | | | | |
| †4 | 1 Dec. '57 | 84.25 | 88.25 | 4.96 |
| †4½ | 15 Dec. '56 | 89.25 | 93.25 | 5.07 |
| *5 | 2 Dec. '59 | 94.75 | 98.75 | 5.10 |
| 5½ | 1 Oct. '55 | 96.50 | 100.50 | 5.45 |
| 6 | 1 Apr. '47 | 98.25 | 102.25 | 5.66 |
| **Saskatchewan:** | | | | |
| 4 | 1 Nov. '60 | 67.00 | 71.00 | 6.50 |
| †4½ | 1 Oct. '51 | 79.00 | 83.00 | 6.45 |
| †4½ | 15 Mar. '60 | 72.50 | 76.50 | 6.55 |
| 5 | 1 Aug. '58 | 78.00 | 82.00 | 6.64 |
| 5½ | 1 Oct. '52 | 82.00 | 86.00 | 7.10 |
| 6 | 15 Mar. '52 | 84.00 | 88.00 | 7.42 |

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

## Mining Dividends

| | Rate | Oct. 31 | % |
|---|---|---|---|
| Anglo-Huronian | 10c | 3.40 | 2.9 |
| Beattie Gold | 10c | 1.25 | 8 |
| Bralorne | 60c+40c | 9.50 | *10.5 |
| Buffalo Ankerite | $1 | 14.00 | 7.1 |
| Bulolo Gold | $3 | 26.00 | 11.5 |
| Can. Malartic | 6c | .88 | 6.8 |
| Cariboo Gold | 10c+6c | 2.31 | *6.9 |
| Central Patricia | 16c+2c | 2.40 | *7.5 |
| Coniagas | 25c | 1.70 | .. |
| Coniaurum | 10c | 1.30 | .. |
| Cons. Smelters | 50c+50c | 65.00 | .. |
| Dome Mines | $2 | 32.25 | 6.7 |
| Falconbridge | 30c | 5.60 | 5.3 |
| Gunnar Gold | 6c | .68 | 8.7 |
| Hedley Mascot | 12c+4c | 1.25 | .. |
| Hollinger | 65c+45c | 15.00 | *7.3 |
| Howey Gold | 4c | .26 | 12.8 |
| Hudson Bay | $1.50 | 33.12 | .. |
| Inter. Mining | 35c | 9.12 | .. |
| Int. Nickel, com. | $2+25c | 56.25 | 4 |
| Island Mountain | 10c | 1.25 | 8 |
| Jack Waite | †1½c | .37½ | .. |
| Kerr Lake | 5c | .46 | .. |
| Kirkland Lake | 8c+2c | 1.30 | *7.7 |
| Kootenay Belle | 16c+2c | 1.36 | *13.2 |
| Laguna | †5c | .14¾ | .. |
| Lake Shore | $4 | 50.25 | 8 |
| Lava Cap M. | 8c | .87 | .. |
| Leitch | †2c | .73 | .. |
| Little Long Lac | 20c | 2.75 | .. |
| Macassa | 20c | 5.10 | 3.9 |
| McGillvray Creek | 3c | .23 | .. |
| McKenzie Red Lake | 12c | 1.33 | 9 |
| Moneta | †3c | 1.26 | .. |
| McIntyre Porc. | $2 | 51.12 | 3.9 |
| Noranda | ‡$2 | 79.25 | .. |
| Nipissing | 15c | 1.60 | .. |
| North Empire | 50c | 8.50 | 5.9 |
| Oro Plata | †4c | .36 | .. |
| Pamour Porc. | ‡12c | 4.55 | .. |
| Paymaster | ‡1c | .56 | .. |
| Pioneer, B.C. | 40c | 2.55 | .. |
| Pickle Crow | 40c | 5.10 | 7.8 |
| Placer Develop. | $1.20 | 15.00 | 8 |
| Premier | 12c | 2.25 | 5.3 |
| Reno | 10½c | .30 | .. |
| Sheep Creek | 12c+4c | .90 | *17.7 |
| Siibak Prem. | 8c | 1.75 | 4.6 |
| Siscoe | 20c+1c | 1.68 | *12.5 |
| Sudbury Basin | 10c | 2.85 | 3.5 |
| Sullivan Cons. | 5c | .98 | 5.1 |
| Teck-Hughes | 40c+5c | 4.65 | *9.7 |
| Toburn | 8c+6c | 2.15 | *6.5 |
| Ventures | 37½c | 5.55 | 6.7 |
| Wright-Harg. | 40c+30c | 7.75 | *9 |

*Yield includes bonus. †Initial. ‡Interim.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Aluminium, pf. | $1.50 | Dec. 1 | Nov. 15 |
| Assoc. Tel., 1st pf. | 49c | Nov. 15 | Nov. 1 |
| Do., $6 pref. | 42c | Nov. 15 | Nov. 1 |
| All Can. Tr. Shs. A | .2439 | Nov. 1 | Oct. 15 |
| Bk. Can. Nationale | $2 | Dec. 1 | Nov. 15 |
| Bright, T. G. | 7½c | Dec. 15 | Nov. 30 |
| Do., pref. | $1.50 | Dec. 15 | Nov. 30 |
| Bk. of Montreal | $2 | Dec. 1 | Oct. 31 |
| Buffalo Ank. | 25c | Nov. 15 | Nov. 1 |
| Bk. of Toronto | $2.50 | Dec. 1 | Nov. 15 |
| Calgary & Edmon. | 8c | Dec. 15 | Nov. 15 |
| Crown Cork | 25c | Nov. 15 | Oct. 31 |
| Can. & Dom. Sugar | 37½c | Dec. 1 | Nov. 15 |
| Can. Iron pref. | $1.50 | Nov. 15 | Oct. 31 |
| Can. Wire & C. pf. | $1.62½ | Dec. 15 | Nov. 30 |
| C'monwealth Int'l. | 4c | Nov. 15 | Oct. 15 |
| Cosmos Imperial | 25c | Nov. 15 | Oct. 31 |
| Do., pref. | $1.25 | Jan. 14 | Dec. 31 |
| Canadian Oil, pf. | $2 | Jan. 2 | Dec. 20 |
| Do., com. | 12½c | Nov. 15 | Nov. 1 |
| Cons. Div. Std. Sec., pf. | 37½c | Dec. 15 | Nov. 30 |
| Corporate Inv. A, B. | 5c | Nov. 15 | Oct. 29 |
| Dom. & A. Inv., p. | $1.25 | Dec. 1 | Nov. 15 |
| Do., arrears | $1.25 | Dec. 1 | Nov. 15 |
| Dom. Bridge | 30c | Nov. 15 | Oct. 31 |
| Fairyiew Amal. pf. | 7c | Sept. 1 | Aug. 27 |
| Guelph Carpet | $1 | Nov. 1 | Oct. 20 |
| Do., pref. | $1.62½ | Nov. 1 | Oct. 20 |
| Gunnar Gold | 3c | Nov. 18 | Oct. 31 |
| Gurd., Chas., pfd. | $1.75 | Nov. 15 | Nov. 1 |

# Lake of Woods Outlook Better

## Current Year Shaping Up Well — Borrowings Lower

**From Our Own Correspondent**

MONTREAL.—Operations of Lake of the Woods Milling Co. during September resulted in a good profit, while the returns for October and November also are expected to show up favorably, according to a statement made at the annual meeting of shareholders by F. S. Meighen, president.

In referring to the past year Mr. Meighen stated that the root of the difficulties was the small crop, which threw prices out of line. This year, however, the crop was a good one; there is plenty of wheat and prices are reasonable. Altogether, therefore, conditions are more favorable and he anticipated a better report at the next annual meeting.

### Smaller Carrying Charges

Drawing attention to sharp reduction in bank loans and inventories, shown in the balance sheet, the president stated that this will be helpful to the company and that interest and carrying charges will be smaller. Bank loans at the end of last August were $625,000 against $2,924,000 the year before, and inventories were $894,717 against $3,531,075. Bank loans throughout the present year will continue substantially below the preceding year's level, said Mr. Meighen.

In reply to a shareholder's question, the president said that the Dominion mill, which had been written down on the books to $1, had been sold for $281,000. Further, the Catelli Macaroni Co., in which Lake of the Woods has an interest, is doing a good business, Mr. Meighen said.

Shareholders re-elected the directors and reports were approved unanimously. At a meeting of the board held subsequent to the annual meeting, the regular quarterly dividend was declared on the preferred, payable December 1 to shareholders of record November 15.

## DIVIDEND NOTICES

### The Royal Bank of Canada

**DIVIDEND NO. 205**

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Thursday, the first day of December next, to shareholders of record at the close of business on the 31st day of October, 1938.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., October 14, 1938.

### The Guelph Carpet & Worsted Spinning Mills Limited

**COMMON DIVIDEND NO. 16**

Notice is hereby given that a Dividend of One Dollar ($1.00) per share has been declared upon the outstanding Common Shares of No Nominal or Par Value of The Guelph Carpet & Worsted Spinning Mills Limited, payable November 1, 1938, to Shareholders of record at the close of business October 20, 1938.

By Order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., October 25, 1938.

### The Guelph Carpet & Worsted Spinning Mills Limited

**PREFERRED DIVIDEND NO. 38**

Notice is hereby given that a Dividend of One and Five-eighths per cent (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended October 31, 1938, payable November 1, 1938, to Shareholders of record at the close of business October 20, 1938.

By Order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., October 25, 1938.

### LAKE OF THE WOODS MILLING CO. LIMITED

**DIVIDEND NOTICE**

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company payable on December 1st, 1938, to shareholders of record at the close of business on November 15th, 1938.

By Order of the Board,

D. A. MacINNES,
Secretary.

## Dividends Declared (Cont'd)

| | | | |
|---|---|---|---|
| Hollinger Cons. | 5c | Nov. 4 | Oct. 21 |
| Do., extra | 5c | Nov. 4 | Oct. 21 |
| Howey Gold | 4c | Dec. 1 | Oct. 31 |
| Hudson Bay M. | 75c | Dec. 12 | Nov. 18 |
| Italo-Argen. El. | *$3.50p | Nov. 10 | ........ |
| Island Mtn. M | 5c | Nov. 15 | Nov. 3 |
| Kirk. Lake G. | 4c | Dec. 1 | Oct. 31 |
| Do., extra | 2c | Dec. 1 | Oct. 31 |
| Leitch Gold | ▲2c | Nov. 15 | Oct. 31 |
| Loblaw Groc., A, B, | 25c | Dec. 1 | Nov. 10 |
| Do., bonus | 12½c | Dec. 1 | Nov. 10 |
| Lk. of Woods M. pf | $1.75 | Dec. 1 | Nov. 15 |
| Laura Secord, bonus | $5 | Nov. 7 | Oct. 31 |
| McIntyre Porc. | 50c | Dec. 1 | Nov. 1 |
| Nat. Biscuit | 40c | Dec. 15 | Nov. 15 |
| Do., pref. | $1.75 | Nov. 30 | Nov. 15 |
| Ontario Steel, pfd. | $1.75 | Nov. 15 | Oct. 31 |
| Penmans | 75c | Nov. 15 | Nov. 5 |
| Quebec Power | 25c | Nov. 15 | Oct. 25 |
| Rolland Paper | 25c | Nov. 15 | Nov. 5 |
| Do., pref. | $1.50 | *Dec. 1 | Nov. 15 |
| Royal Bank | $2 | Dec. 1 | Oct. 31 |
| Regent Knit., pf. | 40c | Dec. 1 | Nov. 15 |
| Shawinigan W. & P. | 20c | Nov. 15 | Oct. 26 |
| San Antonio G. | 7c | Nov. 5 | Oct. 20 |
| South Can. Pr. c. | 20c | Nov. 15 | Oct. 31 |
| Texas Can. Oil | 6c | Nov. 30 | Oct. 15 |
| Toburn Gold | 2c | Nov. 22 | Oct. 21 |
| Do., extra | 2c | Nov. 22 | Oct. 21 |
| United Corp., A | 37c | Nov. 15 | Oct. 31 |
| Union Gas | 20c | Dec. 15 | Nov. 21 |
| Westminster Paper | 25c | Nov. 1 | Oct. 18 |

▲ Initial.
* Less 5 per cent Argentine tax.

**Dividends Passed:**
McColl-Frontenac, com., due Dec. 15—Last paid 10c Sept. 15, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — El. 5101
TORONTO

*Week in Wheat*

# General Fall Rains Weaken Wheat Markets

## Better Moisture Conditions in North America Plus Pessimistic Price Forecasts from Washington Undermine Market—Canadian Exports Heavy

**From Our Own Correspondent**

WINNIPEG.—Generous moisture over both winter and spring wheat areas of North America, plus further pessimistic price forecasts from Washington, were mainly responsible for weakening wheat markets early in the week.

The United States Government also intimated that its attempts to force export of 100 million bushels of surplus wheat have been far from satisfactory. On the other hand, it is believed that recent heavy exports of Canadian wheat are being continued though definite confirmation from the Canadian Wheat Board is lacking.

Drought reports continue to come from many sections of Australia but this normally bullish news is offset by continued favorable news of crop prospects in the Argentine, where acreage appears unusually large.

Until the recent rains in the winter wheat area of the southern United States there were prospects of insufficient germination and growth before winter set in. Even with this new moisture the situation is not completely satisfactory. In the spring wheat areas of the northern States and the Prairie Provinces of Canada, of course, the need of rain was not so pressing though generous fall precipitation is a favorable crop factor.

### *Heavy Exports*

Heavy exports of Canadian wheat continue. Last week total clearances were slightly over 6.6 million bushels and the week before over 8 millions. Average for the month has been around 6 millions. A year ago, when both crop and carryover was small, weekly clearances were not averaging much over 2.5 million bushels.

Observers look for a continuance of present heavy shipments until the Argentine rush begins next February and March. Until then, bulk of the world's current import needs must come from surplus stocks in North America. Even after the Argentine starts pushing sales, of course, there should still remain a considerable outlet for Canadian wheat, which, because of its high quality, is in steady demand for blending purposes with other weaker and softer wheats.

* * *

### *Expect Moderate Carryover*

It is now expected that Canada will export at least 150 million bushels for the crop year which ends next July 31. If such proves correct then carryover should be only in the neighborhood of 125 million bushels after seed, feed and domestic milling requirements have been met. Such a carryover would not be considered excessive.

* * *

### *Outlet Re-established*

Probably the most significant feature of the present healthy export situation is the definite indication of the re-establishment of Canadian hard wheat in the buying markets of the world. During recent years when our wheat was either not available in volume or was deliberately withheld from markets, foreign millers sat up nights devising ways and means of producing a satisfactory bread flour with a minimum of Canadian hard wheat. Unfortunately for Canada they were surprisingly successful. Once ousted it was difficult to get our wheat established again.

This year's big crop and low prices, however, are apparently the right combination, and the proportion of Canadian wheat in foreign flours must be steadily increasing. Once established, then there should be again a fairly permanent market for years to come. Consumers get to like the taste of the bread made from Canadian wheat or a high percentage of it, and bakers and millers are naturally loath to disturb that taste.

* * *

### *Millers to Benefit*

Of almost equal importance to heavy wheat shipments has been the increasing volume of Canadian flour moved out of the country. Last season flour exports were the lowest since away before the war, down fully two thirds from the peak levels of 10 years ago. Reason, of course, was short wheat crops and high premiums on what top-quality grain was produced in 1936 and 1937. Now, with raw material plentiful and cheap, Canadian export millers are again stepping up production, and exports are expected to increase by 20 to 25% this season. With flour milling capacity in this country far in excess of domestic requirements, this will be a most important development to hard-pressed Canadian millers. They have just come through one of the worst years in memory, but they hope to be entering another much more satisfactory.

## Toronto Elevators Has Loss First Time in History

Toronto Elevators, Ltd. experienced the most unfavorable period in its history during the year ended July 31, 1938. This marked the first time that the company has failed to show a net profit.

Wheat movements were so severely curtailed in the year that the elevators were working far below capacity. With a normal crop in the Canadian West and a good grain movement in the current year the company looks to normal operations and a return to the former satisfactory earnings basis.

In the past year an operating loss of $228,570 was incurred, contrasted with a profit of $392,280 in the previous year. Despite a transfer from general reserve of $100,000 and the fact that no depreciation was charged, as against $128,727 in 1937, surplus was reduced to $193,253 from $493,524.

Working capital was reduced to $667,634 from $1.5 million, due largely to expenditures of approximately $368,000 on additions to capital assets, the largest amount of which was expended to complete the feed plant commenced in June, 1937.

Secured bank loans were reduced to $565,000 from $1.5 million and debt to the City of Sarnia dropped to $494,751 from $532,329.

## DIVIDEND NOTICES

### Canada Iron Foundries Limited

**DIVIDEND NOTICE**

Notice is hereby given that a dividend of 1½% on the $100.00 par value 6% non-cumulative Preferred Shares of this Company has been declared for the half year ended June 30th, 1938, payable November 15th, 1938, to Holders of record October 31st, 1938.

By order of the Board.

M. S. Grogan,
Secretary-Treasurer.

Dated at Montreal,
October 25th, 1938.

**DIVIDEND NO. 8**

**Hudson Bay Mining and Smelting Co., Limited**

A Dividend of seventy-five cents (75c) (Canadian) per share has been declared on the capital stock of this Company, payable December 12, 1938, to stockholders of record at the close of business on November 18, 1938.

H. E. DODGE, *Treasurer.*

### Consolidated Diversified Standard Securities Limited

**Dividend No. 13**

NOTICE is hereby given that a dividend of 37½ cents per share on the outstanding fully paid non-cumulative redeemable First Preference shares has been declared, payable December 15, 1938, to shareholders of record November 30, 1938. Transfer books will be closed from December 1 to December 16, 1938, inclusive.

By Order of the Board,

D. C. McBRIDE, Sec.

P.S.—Dividends accruing on fully paid shares not as yet registered in the company's stock records shall be set aside and paid only when registration shall have been completed.

# World Wheat Crop At All Time High

## Washington Predicts Carryover of 1,165 Million Bushels

World wheat production for the full 1938-1939 season ending July 31 next, will be the largest on record, the United States Department of Agriculture estimates. Total volume is estimated at 4,365 million bushels. This is an increase of about 20 million bushels over estimates of a month ago and more than half a billion bushels greater than last year's harvest.

Consumption during the present marketing season is expected to approximate 3.8 billion bushels, leaving a surplus of 1,165 millions by next mid-summer, which is very close to the largest surplus on record, that of 1,195 million bushels in 1933. Carryover in the United States alone is estimated at 300 million bushels, which is not far short of the record American carryover in 1933.

### Federal Grain Board Re-elected

**From Our Own Correspondent**

MONTREAL. — Financial statements for the year ended July 31, were approved and directors re-elected at the annual meeting of Federal Grain Ltd.

# See Decrease U.S. Acreage

## Dry Fall, Low Price, Government Pressure Are Factors

United States winter wheat acreage has been reduced this year, but just how much is not yet certain.

Credit or blame, as the case may be, must not all be attributed to the Government curtailment programme. Under this, unless a farmer agrees to cut acreage by a certain definite percentage, there will be no Government help forthcoming in the way of loans and subsidies.

Canadians are interested in the experiment because of competition for surplus American wheat in export markets.

### Farmers Reluctant

Farmers apparently are loath to co-operate under normal conditions. They feel that nature will step in and ruin the curtailment programme by either increasing or decreasing yields per acre. In either case, volume would be seriously disturbed and there would be little real compensation to the farmer.

A correspondent of the Northwestern Miller, writing from Texas, states that under certain weather conditions, farmers are co-operating. For instance, in many parts of the southern states, the soil was exceedingly dry this fall and germination was problematical. In these districts, farmers decided to agree wholeheartedly with Washington, planted little wheat and will collect all they can in Government bonuses.

In view of the exceedingly dry weather it is doubtful whether wheat would have germinated a normal stand anyway in such areas. On the other hand, in those areas where rainfall has been nearly normal, there has been little or no attempt at co-operation and increased acreages may be expected.

### Total Acreage Down

Last season total acreage planted to wheat in United States totalled an all-time record—81 million acres. Average between 1928-32 was 76 million. Acreage allotted under the Government's curtailment plan is but 55 million. From such an area with an average yield a crop of 660 million bushels would be expected, which is slightly less than normal domestic consumption in United States.

On the other hand, in a poor crop year 55 million acres might only produce about 550 million bushels, which would be seriously short of domestic requirements, and if continued into the second year even the present large carryover would soon disappear. Observers doubt whether the objective of 55 million acres will be achieved this season, but likely there will be a considerable reduction from last year's peak. Low prices alone would be bound to reduce plantings.

## Commodity Prices

After several weeks of rising prices most industrial commodities have weakened slightly. Flutter is not regarded as any indication of a general decline but rather a normal corrective movement after the sharp advanced witnessed recently. Weakness in the general list has been further accentuated by declines in cotton and wheat and a continuance of low livestock prices.

No sudden recovery is expected as business in the United States seems to have slowed its previous quick pace of recovery and the European picture, while vastly improved over two months ago, is still disturbed by a gradual widening of the Munich pacification proposals.

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $6.00 | $6.00 | $7.50 |
| Hogs | 8.25 | 8.35 | 8.65 |
| Copper, lb. | .11¼ | .11¼ | .12 |
| Cotton, lb. | .0893 | .0875 | .0824 |
| Rubber, lb. | .1680 | .1690 | .1572 |
| Sugar, raw, lb. | .0310 | .0310 | .0317 |
| Silk, lb. | 1.88½ | 1.88½ | 1.76 |
| Wheat, Man. (bus.) | .60 | .62⅛ | 1.38¾ |
| Coffee, lb. | .05½ | .05⅛ | .09 |
| Hides | .13½ | .13 | .12½ |
| **Weekly Indices** | | | |
| Canada (D.B.S.) | 74.0 | 74.3 | 84.7 |
| Do., Wood, Gundy | 57.8 | 57.9 | 69.2 |
| U. S. Labor | 77.3 | 77.7 | 84.9 |
| Dow Jones (future) | 48.66 | 49.08 | 55.89 |
| Crumps (Brit.) | 72.7 | 72.6 | 80.3 |
| Fisher's | 80.4 | 79.9 | 88.1 |

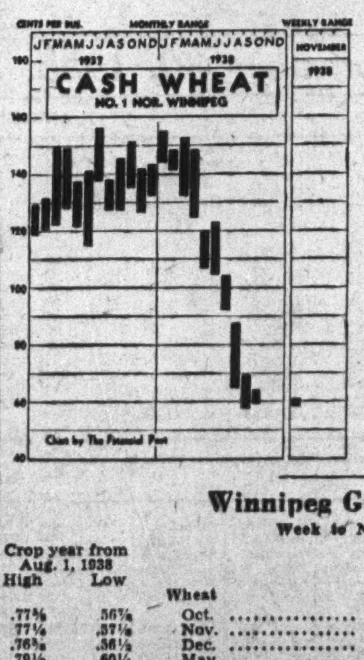
**Monthly Indices**

| | Latest month | Prev. month | Same last year |
|---|---|---|---|
| Canada (D.B.S.) | | | |
| Retail (Sept.) | 84.1 | 84.9 | 83.6 |
| W'sale (Sept.) | 74.5 | 76.0 | 85.0 |
| U. S. (Aug.) | 78.1 | 78.8 | 87.5 |
| Gt. Brit. (July) | 100.6 | 100.7 | 111.5 |

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York; Silk — Japanese, 13-15 New York; Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

## Wheat Prices



(Cash Quotations)

| | For Week Nov. 1 High | For Week Nov. 1 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| 1 Hard | .61 | .58½ | .63⅞ | .61¾ |
| 1 Northern | .60½ | .58 | .63⅜ | .61¼ |
| 2 Northern | .57⅛ | .54⅝ | .59⅝ | .57¼ |
| 3 Northern | .53¾ | .51¼ | .57⅛ | .54⅝ |
| 4 Northern | .46⅝ | .44 | .50⅛ | .47⅝ |
| 5 Wheat | .42 | .39½ | .44⅛ | .42⅛ |
| 6 Wheat | .35 | .32½ | .37⅛ | .35⅛ |
| Feed Wheat | .34 | .31½ | .36⅛ | .34⅛ |

Competitive Export Prices:
Oct.-Nov. shipments:

| | Week to Nov. 1 High | Week to Nov. 1 Low |
|---|---|---|
| No. 1 North. (Van.) | .79⅝ | .77⅝ |
| No. 3 North. (Atlan.) | .73¾ | .71¾ |
| No. 2 U. S. Yellow‡ | .67½ | 67½ |
| Australian (afloat) | .75⅛ | .71¾ |
| U. S. White Pac. (afloat) | .72¼ | .70¼ |
| Argentine Rosafe† | .63⅛ | .63 |
| Rumanian | .51½ | .50 |
| French | .55⅝ | .54¾ |

‡Hard winters. †New crop speculative offers Jan.-Feb.

### Winnipeg Grain Futures

**Week to Nov. 1, 1938**

| Crop year from Aug. 1, 1938 High | Crop year from Aug. 1, 1938 Low | | Open Oct. 26 | High for week | Low for week | Close Nov. 1 | Close year ago |
|---|---|---|---|---|---|---|---|
| | | **Wheat** | | | | | |
| .77⅝ | .56⅞ | Oct. | .59¾ | .60⅜ | .58½ | ..... | ..... |
| .77¼ | .57⅛ | Nov. | .59½ | .59¾ | .57⅜ | .57⅛ | 1.20¾ |
| .76⅝ | .56½ | Dec. | .59¼ | .59¼ | .57⅛ | .57⅛ | 1.17½ |
| .79⅛ | .60¼ | May | .62½ | .62¾ | .60½ | .60½ | 1.15⅝ |
| | | **Oats** | | | | | |
| .32⅞ | .26⅞ | Oct. | .27⅞ | .28¼ | .27⅛ | ..... | ..... |
| .31½ | .25¾ | Dec. | .27⅛ | .27¼ | .26½ | .26½ | .46⅝ |
| .33¼ | .27⅞ | May | .28⅝ | .28½ | .27⅞ | .27⅞ | .45⅛ |
| | | **Barley** | | | | | |
| .45 | .32⅝ | Oct. | .35¾ | .36½ | .35½ | ..... | ..... |
| .44½ | .33⅛ | Dec. | .35⅛ | .35⅝ | .34⅝ | .34¼ | .58⅞ |
| .44⅝ | .34⅝ | May | .36⅝ | .36½ | .35⅛ | .35⅛ | .57⅛ |
| | | **Flax** | | | | | |
| 1.29 | 1.29 | Nov. | .... | 1.29 | 1.29 | 1.29 | 1.79¼ |
| 1.43⅝ | 1.27 | Oct. | 1.33 | 1.33½ | 1.31½ | ..... | ..... |
| 1.41⅛ | 1.25¼ | Dec. | 1.28¼ | 1.29¼ | 1.28¼ | 1.28¾ | 1.77 |
| 1.35¼ | 1.29⅝ | May | ... | 1.30⅜ | 1.30 | 1.30⅛ | 1.76¼ |
| | | **Rye** | | | | | |
| .46½ | .36 | Oct. | ... | .40⅝ | .39¼ | ..... | ..... |
| .47⅞ | .36⅝ | Dec. | ... | .40 | .38⅛ | .38⅛ | .81¼ |
| .47⅝ | .39½ | May | .43⅛ | .42⅛ | .40⅛ | .40⅛ | .83⅛ |

# Inter. Milling Earnings Less

## Net Profit of $745,217 Compares With $1.4 Million

In line with the milling industry generally results of operations of International Milling Co. were less satisfactory for the year ended Aug. 31, 1938, than in the previous year. A net profit of $745,217 is shown for the period, as against $1.4 million in 1937, equivalent to earnings on the first preferred stock of $12.81 and $28.56, respectively. There were 58,160 of the 5% first preferred shares, of $100 par value outstanding at Aug. 31, compared with 48,650 in the preceding year.

On the common shares $6.82 was earned in the year under review, contrasted with $12.40 in 1937.

After deduction of all charges and retirement of common shares earned surplus amounted to $6.7 millions, as compared with $7.2 millions.

Capital surplus account of $1 million was eliminated during the year by the purchase of common stock.

Total assets increased to $28.7 millions from $27.6 millions in 1937.

**Consolidated Surplus Account**
**For Years Ended Aug. 31**

| | 1938 $ | 1937 $ |
|---|---|---|
| Net profit | 745,217 | 1,389,385 |
| Less: Dividends— | | |
| 1st pref. | 259,344 | 241,169 |
| 2nd pref. | 8,322 | ...... |
| Common | ...... | 607,479 |
| Surplus for year | 477,551 | 540,737 |
| Add: Prev. surp. | 7,232,922 | 6,676,478 |
| Spec. res. trans. | 253,182 | ...... |
| Matured insur. | ...... | 202,478 |
| Less: 1st pref. retire. | 106,810 | 93,305 |
| Adjust. investa. | 29,282 | ...... |
| Invest. loss | 55,455 | ...... |
| Common retired | 1,144,473 | ...... |
| Matured insur. | ...... | 202,478 |
| Less: Surplus restored | 48,645 | 109,163 |
| Surplus forward | 6,676,280 | 7,232,922 |
| **Working Capital** | | |
| Current assets | 16,268,824 | 15,204,963 |
| Current liabilities | 6,460,568 | 5,384,877 |
| Working capital | 9,808,256 | 9,820,086 |

## Alberta Pacific Grain Directors Are Re-elected

**From Our Own Correspondent**

MONTREAL. — Directors of Alberta Pacific Grain Co. were re-elected at the annual meeting, while the vacancy created by the death of C. W. Band, Toronto was not filled.

The directors are: H. E. Sellers, J. R. Murray, H. W. Webster, all of Winnipeg; A. F. Culver, Montreal; Lawrence Killam, Vancouver, and R. W. Ward, of Calgary.

**Pend Oreille Mines & Metals** has completed installation of new crusher equipment to increase capacity. Milling operations were resumed on Oct. 26, after a shut-down of nearly a week while the new equipment was being put in.

GRAIN MERCHANTS *In World Trade*
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada

SHIPPERS & EXPORTERS
JAMES RICHARDSON & SONS *Limited*

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

THE CANADIAN CONSOLIDATED GRAIN
COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

MONTREAL TRUST Company
61 YONGE ST., TORONTO
J. F. HOBKIRK, Manager
EXECUTORS MONTREAL TRUST COMPANY TRUSTEES

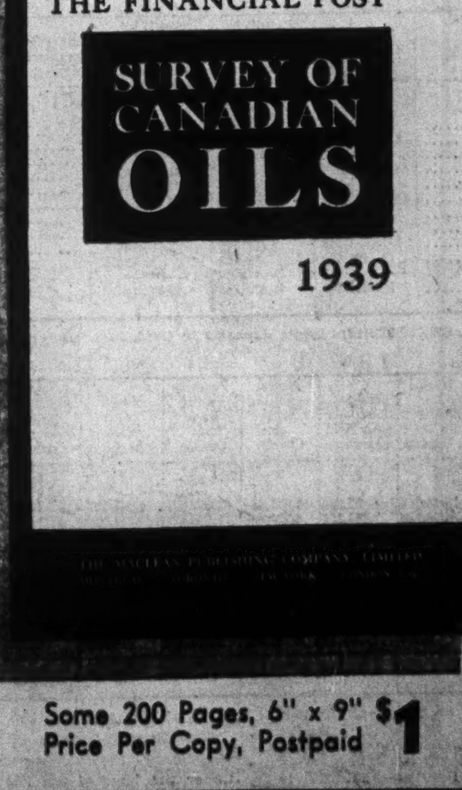
*Announcing*
THE FINANCIAL POST
SURVEY OF CANADIAN OILS
*new* 1939 *edition*

INCREASED interest in Canadian oils, and substantial developments affecting the industry, have again created a pronounced demand for a complete, up-to-the-minute picture of the present situation in this increasingly important industry.

Consequently, The Financial Post will issue on or about November 26th, the 1939 edition of its Survey of Canadian Oils, to contain complete, up-to-date facts pertaining to each and every oil field and each and every operation on that field. This information will include details of properties, drilling contracts, royalties, etc. It will contain maps and charts.

Such a complete array of facts make this book invaluable alike to investors and investment houses, to officials of operating and development companies, to government officials, engineers and geologists, and to manufacturers and distributors of machinery and supplies.

Order NOW the copy or copies you require of this valuable, ready-reference book of authoritative information secured on the field and compiled by The Post's own editors and statistical staff. Delivery is guaranteed if your order is received in advance of actual publication.



Some 200 Pages, 6" x 9" Price Per Copy, Postpaid $1

---YOUR ORDER FORM---
THE FINANCIAL POST,
481 University Avenue,
TORONTO 2, Canada.
Send me postpaid .......... copies of The Financial Post SURVEY OF CANADIAN OILS, 1939.
Herewith $........... in payment.
..............................
Name
..............................
Address
..............................

The Fall Season in New York

Brisk, exciting days . . . intriguing nights! Shopping . . . the opera . . . new plays . . . New York's complete repertoire of diversions as unfolded by the Fall Season.

And in the heart of Manhattan — the very center of its smart life — is the Plaza, famous for its supreme achievements in modern living — noted for its Persian Room, rendezvous of New York's fashionable set.

Henry A. Rost
President and Managing Director

The PLAZA New York
FIFTH AVENUE AT FIFTY-NINTH STREET

Mrs. L. G. Girvan, Canadian Representative of the Plaza with offices at 67 Yonge St., Toronto, serves Plaza clients 52 weeks of the year. Telephone Waverley 7552.

A SAFE WAY TO CARRY MONEY WHEREVER YOU GO
Obtainable from all Canadian Pacific Agents and most banks.
Canadian Pacific Express
TRAVELLERS CHEQUES

You'll like Peace at our Price

CELEBRATE the 20th anniversary of the Armistice at the Seaside Hotel. Enjoy real rest and relaxation, a needed bit of sunshine . . . invigorating sea air. You'll relish Seaside cooking, the lift of the Surf 'n Sand Room, gracious hospitality. The rates are surprisingly low for the 3-day Armistice Week-End, November 11 to 13.

Harrison Cook, Res. Mgr.

The Seaside
ATLANTIC CITY

Saint John Calling!
It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from $2. single, $3. double. Modern cafeteria. AAA garage.
The ADMIRAL BEATTY
SAINT JOHN, N.B.

TRADE WITH GREAT BRITAIN

The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.

Head Office:
EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2

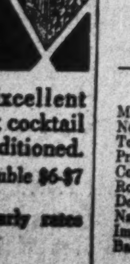
ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)
Total Assets ..... $429,458,220 ($5 to £1)
Associated Bank:
Williams Deacon's Bank Ltd.

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

30 STORIES OF HOSPITALITY
In the Smart East Fifties
Opposite the Waldorf-Astoria

● Quiet dignity for your background. Every measure of comfort — Spacious rooms, beautifully furnished—Plus convenience of location . . . Excellent restaurant and duplex cocktail lounge . . . air-conditioned.

Single Rooms $4-$5 • Double $6-$7
Suites from $8
Special monthly and yearly rates



The Beverly
HOTEL
William A. Buecker, Manager
125 EAST 50th STREET • NEW YORK

# Gain is Shown In Bank Debits

## Increases in the West and Quebec Offset Declines Elsewhere

Improved business in the three Prairie Provinces is reflected in the monthly statement of bank debits for September issued by the Dominion Bureau of Statistics. The statement records an increase in bank debits in the prairie area of 89% over August preceding and of 31% over September, 1937.

The significance of the figures is corroborated by bank officials who state that business on the prairies generally has been much better. Repayments of loans are said to be quite gratifying not only in the sections where crops were good but in the drought areas as well, where farmers' returns have been light. The fact that farmers are able to deliver their wheat and obtain payment at the fixed price right off means that the money is being put to work without delay.

Debits in British Columbia also have been substantially higher, showing gains of 27.4% and 10.3% in the monthly and yearly comparison.

Quebec was the only other economic area in which an increase was recorded, debits there rising 1% over August but being down 13.2% compared with the corresponding month in 1937.

**Ontario and Maritimes Down**

The improvement in Prairie Provinces and British Columbia and Quebec was such that despite declines in the other two economic areas, Ontario and the Maritime Provinces, the total for all Canada was 9.6% above the August figures. Compared with September last year a decline of 3% was reported.

Ontario and Quebec have been affected partly by decreased tourist traffic while the effect of the western crop has not been felt to a noticeable extent.

For the nine months of the year to September total debits were $22,077 millions against $26,253 millions in the same period of 1937, a decline of almost 16%.

**Bank Debits to Individual Accounts**
(In millions of dollars)

| Provinces & Clearing House Centres | Sept. 1938 | Aug. 1938 | Sept. 1937 |
|---|---|---|---|
| **Maritimes** | | | |
| Halifax | 28.9 | 27.2 | 30.8 |
| Moncton | 9.0 | 9.1 | 9.2 |
| Saint John | 14.5 | 16.9 | 17.9 |
| Total | 52.4 | 53.2 | 58.0 |
| **Quebec** | | | |
| Montreal | 722.0 | 706.1 | 853.8 |
| Quebec | 74.5 | 67.0 | 64.9 |
| Sherbrooke | 7.0 | 6.8 | 6.8 |
| Total | 803.5 | 780.0 | 925.7 |
| **Ontario** | | | |
| Brantford | 8.4 | 8.4 | 9.4 |
| Chatham | 6.7 | 7.1 | 8.5 |
| Fort William | 6.0 | 6.8 | 5.7 |
| Hamilton | 53.0 | 50.6 | 57.1 |
| Kingston | 6.2 | 5.3 | 6.2 |
| Kitchener | 11.3 | 10.6 | 12.2 |
| London | 25.3 | 28.1 | 32.8 |
| Ottawa | 78.1 | 89.8 | 97.0 |
| Peterborough | 6.3 | 5.5 | 5.8 |
| Sarnia | 6.1 | 5.9 | 7.4 |
| Sudbury | 6.9 | 7.3 | 8.1 |
| Toronto | 775.1 | 817.7 | 843.6 |
| Windsor | 32.7 | 29.3 | 37.1 |
| Total | 1,022.5 | 1,072.5 | 1,131.3 |
| **Prairies** | | | |
| Brandon | 3.3 | 2.7 | 2.9 |
| Calgary | 70.3 | 42.7 | 54.5 |
| Edmonton | 35.9 | 32.5 | 34.0 |
| Lethbridge | 7.4 | 4.5 | 6.0 |
| Medicine Hat | 3.7 | 1.9 | 2.8 |
| Moose Jaw | 7.2 | 4.9 | 6.5 |
| Prince Albert | 2.2 | 2.1 | 2.8 |
| Regina | 68.2 | 30.0 | 38.6 |
| Saskatoon | 10.4 | 9.5 | 10.7 |
| Winnipeg | 381.8 | 176.6 | 290.9 |
| Total | 590.5 | 307.7 | 450.1 |
| **British Columbia** | | | |
| New Westminster | 6.2 | 6.7 | 6.7 |
| Vancouver | 156.2 | 125.7 | 137.3 |
| Victoria | 23.3 | 25.1 | 24.3 |
| Total | 185.7 | 157.5 | 168.4 |
| Total for Canada | 2,654.8 | 2,371.1 | 2,733.6 |

## Staff Changes

**The Bank of Nova Scotia** announces the following staff appointments:

E. D. BLAIR to be accountant at Spadina and Dundas, Toronto.

D. S. R. KITCHEN to be accountant at Spadina and Dupont, Toronto.

**The Royal Bank of Canada** announces the following staff changes:

W. F. BUIE, manager Winona, Ont., to be manager Warkworth, Ont.

L. A. CARLEY, manager Otterville, Ont., to be manager Winona, Ont.

J. C. DEMERS, manager Grand Falls, N.B., to be manager St. Peter's, N.S.

P. H. FISHER, manager Toronto, Sherbourne and Queen, to be manager Fergus, Ont.

H. LAWRENCE, manager Arntfield, Que., to be manager Orangeville, Ont.

J. M. SCOUGALL, manager Orangeville, to be manager Sherbourne and Queen, Toronto.

T. MUIR, of Fergus, Ont., retires on pension.

T. H. GILCHRIST to be manager at Arntfield, Que.

V. D. OLLIVER, manager at Warkworth, to be manager at Otterville, Ont.

T. F. WHITLEY to be assistant manager at Toronto.

W. R. MITCHELL to be inspector at Supervisor's Dept., Halifax, N.S.

*Banking*

# Commercial Borrowings Increase in September

## Financing of Wheat Movement Brings Expansion, While Call Loans Are Down — Banks' Holdings of Cash Rise as Investments Are Reduced

Commercial loans in Canada swung sharply upward in September recording a gain of $47.8 millions, according to the monthly statement of the chartered banks to the Minister of Finance for September. This obviously is the result of the movement of the crops, which the banks are financing. The increase over the corresponding month last year is even more striking being $58.2 millions. The crop this year, of course, is much larger and under the terms of the Government guarantee is moving more rapidly to market.

This expansion in current loans should have a favorable effect on the earnings of the chartered banks in the last months of the current year even though the rate at which the money is being lent is low. Loans on wheat delivered at the elevators it is understood are being made at 3%. However, in the aggregate the returns will be substantial.

Call loans in Canada on the other hand fell away sharply. The total for September was down by $10.3 millions compared with August preceding. Compared with September last year they were $39.7 millions lower. The decline in stocks during the month and the calling in of short term loans on account of the war scare undoubtedly contributed to the reduction. The banks apparently were making sure of protecting their liquid position.

Loans on wheat, of course, which come under the heading of current loans, were not subject to this influence owing to the Government's guarantee.

Total call and current loans were $43.1 millions above the level of September, 1937.

While loans in Canada rose, investments of the banks declined $18.3 millions for the month and $24.5 millions for the year. This coupled with an increase in holdings of cash of $7.4 millions over the preceding month and $31.4 millions over the corresponding month a year ago probably reflects the preparations being made for the end of the year and their annual financial statements.

Demand deposits rose by $37.8 millions over the previous month and $11.4 millions over the corresponding month a year ago. Savings deposits were down $2 millions for the month and up $58 compared with September last year.

With loans increasing at a faster rate than deposits a rise in The Financial Post credit index is seen to 37.7% up 1.0% from August but still down .3% from September last year.

Bankers who had been looking for the monthly statement to shed some light on the advances to chartered and savings banks reported by the Bank of Canada in recent weeks were disappointed as this item remained blank. As the statement covers the Canadian chartered banks only and the item in the Bank of Canada statement refers to advances to savings and chartered banks, it would appear that the $5,000,000 shown in the Bank of Canada statements was advanced to one or more of the savings banks in Quebec Province.

Other changes in the monthly statement showed a decline of $4.1 millions in note circulation as compared with the previous year. Total assets were up by $60.1 compared with last year.

**Use of Bank Credit in Canada**
(In Millions of Dollars)

| | Sept. 1938 | Aug. 1938 | Change | Sept. 1937 | Change |
|---|---|---|---|---|---|
| Loans | 1,025.4 | 983.2 | +42.0 | 982.3 | +43.1 |
| Investments | 1,421.1 | 1,439.8 | —18.7 | 1,445.6 | —24.5 |
| Total | 2,446.5 | 2,423.0 | +23.5 | 2,427.9 | +18.6 |
| Deposits | 2,357.6 | 2,321.8 | +35.8 | 2,288.1 | +69.5 |

**ASSETS**

| | September, 1938 $ | August, 1938 $ | Change $ | September, 1937 $ | Change $ |
|---|---|---|---|---|---|
| **Immediately Available Liquid Assets** | | | | | |
| Canadian coin | 5,282,417 | 5,459,253 | — 176,836 | 5,043,443 | + 238,974 |
| Bk. of Can. notes | 52,829,014 | 54,472,989 | — 1,643,975 | 53,716,466 | — 887,452 |
| Bk. of Can. depos. | 211,484,816 | 202,249,878 | + 9,234,938 | 179,361,600 | +32,123,216 |
| Bank's cash | 269,596,247 | 262,182,120 | + 7,414,127 | 238,121,509 | +31,474,738 |
| Other bank notes | 5,086,264 | 5,838,326 | — 752,062 | 5,112,944 | — 26,680 |
| Gold & sub. coin abd. | 5,328,019 | 6,123,183 | — 795,164 | 4,077,895 | + 1,250,124 |
| Foreign banks | 152,169,525 | 129,294,933 | +22,874,592 | 97,254,027 | +54,915,498 |
| Foreign curr. | 28,548,736 | 27,492,536 | + 1,056,200 | 24,176,317 | + 4,372,419 |
| Gov. sec. short term | 444,637,538 | 435,407,530 | + 9,230,008 | 404,224,252 | +40,413,286 |
| Do., long term | 684,337,224 | 709,561,150 | —25,223,926 | 715,548,341 | —31,211,117 |
| Call loans abroad | 44,963,394 | 55,084,243 | —10,084,849 | 63,966,296 | —19,002,902 |
| | 1,634,666,947 | 1,630,948,021 | + 3,718,926 | 1,552,481,581 | +82,185,366 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Municipal secs. | 102,567,077 | 104,345,324 | — 1,778,247 | 111,873,899 | — 9,306,822 |
| Public secs.▲ | 63,155,384 | 63,561,813 | — 406,429 | 80,713,529 | —17,558,145 |
| Other secs. | 126,697,555 | 126,987,569 | — 290,014 | 133,270,530 | — 6,572,975 |
| Can. call loans | 60,134,869 | 70,533,480 | —10,398,611 | 99,933,164 | —39,798,295 |
| Current loans | 828,903,218 | 781,010,385 | +47,892,833 | 770,684,341 | +58,218,877 |
| Loans abroad | 143,100,257 | 144,215,066 | — 1,114,809 | 172,426,943 | —29,326,686 |
| Prov. loans | 22,303,236 | 18,727,850 | + 3,575,386 | 20,128,052 | + 2,175,184 |
| Mun. loans | 114,110,233 | 112,987,304 | + 1,122,929 | 91,648,032 | +22,462,201 |
| | 1,460,971,829 | 1,422,368,791 | +38,603,038 | 1,480,678,490 | —19,706,661 |
| **Other Assets** | | | | | |
| Non-curr. loans | 9,817,994 | 9,861,505 | — 43,511 | 11,611,623 | — 1,793,629 |
| Real estate | 8,328,235 | 8,335,581 | — 7,346 | 8,710,298 | — 382,063 |
| Mortgages | 4,352,966 | 4,387,920 | — 34,954 | 4,239,310 | + 113,656 |
| Premises | 73,459,400 | 73,618,458 | — 159,058 | 74,326,931 | — 867,531 |
| Letters of credit | 57,104,867 | 57,749,144 | — 644,277 | 67,196,172 | —10,091,305 |
| Loans to comp. | 11,249,363 | 11,292,882 | — 43,519 | 11,039,077 | + 210,286 |
| Other assets | 2,163,651 | 2,230,480 | — 66,829 | 1,981,167 | + 182,484 |
| | 166,476,476 | 167,475,970 | — 999,494 | 179,104,578 | —12,628,102 |
| Total | 3,262,115,252 | 3,220,792,782 | +41,322,470 | 3,212,264,649 | +49,850,603 |
| Note circ. dep. | 5,468,814 | 5,462,755 | + 6,059 | 5,975,111 | — 506,297 |
| Int. bank bal. | 132,195,875 | 108,101,059 | +24,094,816 | 121,376,624 | +10,819,251 |
| Gross | 3,399,779,941 | 3,334,356,596 | +65,423,345 | 3,339,616,384 | +60,163,557 |
| **LIABILITIES** | | | | | |
| **To the Public** | | | | | |
| Circulation | 104,044,340 | 98,661,488 | + 5,382,852 | 108,225,813 | — 4,181,473 |
| Dom. Govt. | 48,693,138 | 51,995,451 | — 3,302,313 | 45,136,007 | + 3,557,131 |
| Prov. Govt. | 40,526,894 | 44,028,550 | — 3,501,656 | 37,976,774 | + 2,550,120 |
| **Deposits by Public** | | | | | |
| Demand dep. | 725,046,724 | 687,159,311 | +37,887,413 | 713,627,549 | +11,419,175 |
| Savings dep. | 1,632,585,066 | 1,634,654,979 | — 2,069,913 | 1,574,503,186 | +58,081,880 |
| Total | 2,357,631,790 | 2,321,814,290 | +35,817,500 | 2,288,130,735 | +69,501,055 |
| Foreign dep. | 425,218,339 | 400,442,302 | +24,776,037 | 425,153,422 | + 64,917 |
| **Due to Banks Abroad, Etc.** | | | | | |
| United Kingdom | 11,264,393 | 10,167,292 | + 1,097,101 | 13,683,503 | — 2,419,110 |
| Foreign | 35,904,380 | 36,911,022 | — 1,006,642 | 37,699,635 | — 1,795,255 |
| Bills payable | 356,006 | 296,206 | + 59,800 | 1,217,569 | — 861,563 |
| Letters of credit | 57,104,867 | 57,749,144 | — 644,277 | 67,196,172 | —10,091,305 |
| Other liabs. | 3,002,465 | 2,887,844 | + 114,621 | 2,921,660 | + 80,805 |
| Total public liabs. | 3,083,746,612 | 3,024,953,589 | +58,793,023 | 3,027,341,290 | +56,405,322 |
| Due bet. banks | 17,692,959 | 12,370,669 | + 5,322,290 | 14,504,962 | + 3,187,997 |
| **Liability to Shareholders** | | | | | |
| Dividends | 1,416,864 | 2,374,943 | — 958,079 | 821,743 | + 595,121 |
| Reserve | 133,750,000 | 133,750,000 | ...... | 133,750,000 | ...... |
| Capital | 145,500,000 | 145,500,000 | ...... | 145,500,000 | ...... |
| Gross | 3,382,106,435 | 3,318,949,201 | +63,157,234 | 3,321,917,995 | +60,188,440 |
| Credit index* | 37.7% | 36.6% | + 1.1% | 38.0% | — 0.3% |

▲Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

**Winnipeg**—Winnipeg's municipal hospitals in 1937 had expenditures of $356,195, the Goldenberg Royal Commission was told. Besides current costs there was an amount of $105,156 for debt charges, of which $76,034 was paid for debenture interest and $29,122 paid to sinking fund. With some of the bonded debt maturing in the next five years, fixed charges will be reduced to $67,390 in 1941; to $47,374 in 1942; and to $36,290 in 1943.

## Bank of Canada Weekly Statement

An increase of $3 millions in holdings of sterling and United States exchange was the principal change in the statement of the Bank of Canada for the week ended October 26 as compared with the previous week. The bank's holdings of foreign exchange have shown a persistent upward trend in recent weeks. It is possibly due in part to sales of gold. Other changes on the credit side of the statement were relatively small.

On the liability side there was a decline of $3 millions in the note circulation.

**Balance Sheet**

| | Oct. 26 1938 $ | Oct. 19 1938 $ |
|---|---|---|
| **Liabilities** | | |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in circ. | 178,581,675 | 181,523,619 |
| Rest fund | 1,348,414 | 1,348,414 |
| Depos.: Dominion | 30,929,633 | 29,800,930 |
| Banks | 222,786,269 | 220,004,794 |
| Other | 2,414,060 | 2,022,657 |
| Total deposits | 256,129,962 | 251,828,381 |
| All other liabs. | 2,870,550 | 3,762,317 |
| Total liabs. | 443,930,601 | 443,462,731 |
| **Assets** | | |
| Reserve: Gold | 181,370,827 | 181,595,356 |
| Res. in sterling and U. S. | 41,081,551 | 38,012,925 |
| Other curr. | 630 | 666 |
| Total reserve | 222,453,008 | 219,608,947 |
| Subsidiary coin | 170,361 | 207,723 |
| Advances | 5,000,000 | 5,000,000 |
| Investments: | | |
| Dom. govt. short. | 166,665,669 | 167,010,220 |
| Other Dom. govt. | 45,015,100 | 46,113,711 |
| Total invest. | 211,680,769 | 213,123,931 |
| Premises | 1,705,876 | 1,705,638 |
| All other assets | 2,920,587 | 3,816,492 |
| | 443,930,601 | 443,462,731 |
| Reserve ratio | 51.17% | 50.67% |

## Bank Chat

### Nell Gwynn's Account

Ethical standards in banking in Great Britain are high—just as they are in Canada.

Recently an editor in London was talking with a banker. It came out in the course of the conversation that this bank's firm had been in business for many, many years and that its clients had numbered kings and actresses, queens and statesmen. The banker casually remarked that they had the records of Nell Gwynn's account with the firm.

The editor pricked up his ears. This sounded like a good story. He began to ask questions about Nell Gwynn's account.

"I am sorry," said the banker. "I cannot answer your questions. You know we never discuss our clients' affairs."

* * *

### New Bank Branches

Two new sub-branches and one branch were opened by the Canadian chartered banks between Sept. 1 and Oct. 1 according to Houston's Bank Directory for October. One sub-branch was opened by the Canadian Bank of Commerce at Kearns, Ont., the new town laid out in connection with Chesterville Larder Lake Gold Mining Company. The other was opened by The Imperial Bank at Matachewan, Ont. The Bank of Nova Scotia opened a branch at Shellbrook, Sask.

One branch was closed during the period by the Royal Bank at Lochalsh in the Algoma District of Ontario.

* * *

### First Bank in West Toronto

This months sees the fiftieth anniversary of the opening of the first branch of a Canadian chartered bank in West Toronto.

It was on Nov. 12, 1888 that the Molsons Bank, later absorbed in the Bank of Montreal opened a branch at the northwest corner of Dundas and Keele Sts. The staff consisted of A. A. C. Denovan and one clerk. The corner of Dundas and Keele was at that time looked on as the hub of the town.

* * *

Mexican five-peso notes are again flooding Toronto. In three weeks more than 50 merchants have accepted these worthless bills at $5 for a total loss. The police believe these bills are purchased in Los Angeles for 15 cents each and distributed to agents. On the back of the bills is the word "cancelled."

# C.P.R. Earnings Up in September

## Net Shows Increase for First Time in More Than a Year

From Our Own Correspondent

MONTREAL.—As a result of the larger wheat movement in western Canada net earnings of the Canadian Pacific Railway in September were $509,693 ahead of the same month a year ago. Net for the month amounted to $3,651,406.

This is the first time since July of last year that monthly net earnings of the C.P.R. have shown an increase over the same month of the previous year. In some months gross revenues have been higher, but this has been offset by increased expenses.

Gross earnings in September increased $1.4 million to over $15.7 millions. Operating expenses rose $920,312 to $12.1 millions.

Cumulative returns for the first nine months of the year show a reduction of $5.7 millions in net earnings to $7.3 millions. This is due not only to lower revenue but also to higher expenses. Revenues are down $4.7 millions and expenses are $987,292 higher.

Comparative figures are given below:

| | 1938 $ | 1937 $ |
|---|---|---|
| **Three Months Ended Sept. 30** | | |
| Gross earnings | 15,785,277 | 14,355,271 |
| Working expenses | 12,133,871 | 11,213,558 |
| Net earnings | 3,651,406 | 3,141,713 |
| **Nine Months Ended Sept. 30** | | |
| Gross earnings | 100,346,135 | 105,101,990 |
| Working expenses | 93,015,341 | 92,028,049 |
| Net earnings | 7,330,793 | 13,073,941 |

## Weekly Bank Clearings

| | Oct. 27 1938 $ | Change Year Ago % | Oct. 20 1938 $ |
|---|---|---|---|
| Halifax | 2,383,701 | —5.0 | 2,542,255 |
| Saint John | 1,615,433 | —12.7 | 1,856,047 |
| Moncton | 920,573 | +10.4 | 841,205 |
| Sherbrooke | 771,356 | +16.2 | 763,755 |
| Quebec | 4,929,205 | —3.8 | 5,697,461 |
| Montreal | 105,367,565 | —.58 | 112,968,303 |
| Ottawa | 16,353,440 | —12.5 | 28,335,693 |
| Peterborough | 590,595 | —0.1 | 688,943 |
| Toronto | 115,882,241 | —9.7 | 114,322,843 |
| Hamilton | 5,130,420 | —16.4 | 5,825,480 |
| Kitchener | 1,082,825 | —1.1 | 1,258,995 |
| Chatham | 538,837 | —4.9 | 531,856 |
| Kingston | 575,853 | —5.7 | 673,366 |
| Brantford | 774,501 | —23.1 | 1,020,802 |
| London | 2,290,536 | —28.0 | 2,742,726 |
| Windsor | 2,690,670 | —20.2 | 2,748,285 |
| Sarnia | 441,887 | —11.4 | 498,937 |
| Sudbury | 1,170,457 | —2.5 | 1,004,448 |
| Fort William | 706,017 | —20.8 | 846,355 |
| Winnipeg | 50,834,064 | +8.3 | 57,386,265 |
| Brandon | 374,859 | —8.5 | 434,493 |
| Regina | 5,542,546 | +64.2 | 6,844,349 |
| Moose Jaw | 661,830 | +18.0 | 911,963 |
| Prince Albert | 372,851 | +8.4 | 451,129 |
| Edmonton | 4,394,928 | —1.4 | 5,222,609 |
| Calgary | 11,549,841 | +56.8 | 13,123,614 |
| Saskatoon | 1,678,974 | +20.8 | 1,742,364 |
| Medicine Hat | 411,997 | +28.4 | 468,274 |
| Lethbridge | 773,803 | +18.6 | 839,816 |
| N. W'minster | 601,768 | —22.3 | 625,643 |
| Vancouver | 16,821,014 | —10.7 | 20,620,968 |
| Victoria | 1,582,684 | +2.1 | 1,842,934 |

## Monthly Bank Clearings

| | October 1937 $ | October 1938 $ |
|---|---|---|
| Saint John | 8,059,256 | 7,334,448 |
| Moncton | 3,808,131 | 3,783,294 |
| Sherbrooke | 3,280,963 | 3,276,289 |
| Quebec | 23,673,159 | 22,213,994 |
| Montreal | 502,775,689 | 485,566,215 |
| Ottawa | 86,868,736 | 93,108,920 |
| Toronto | 517,134,170 | 501,437,855 |
| Hamilton | 25,485,089 | 22,927,673 |
| London | 13,835,097 | 11,235,020 |
| Kitchener | 4,934,096 | 4,858,727 |
| Brantford | 4,593,427 | 4,758,634 |
| Windsor | 13,639,639 | 11,346,704 |
| Sarnia | 2,158,115 | 2,026,383 |
| Sudbury | 4,704,828 | 4,564,449 |
| Fort William | 3,706,699 | 3,435,114 |
| Winnipeg | 223,539,734 | 256,321,456 |
| Brandon | 1,947,070 | 1,815,292 |
| Regina | 17,502,842 | 28,828,192 |
| Moose Jaw | 2,906,810 | 3,522,488 |
| Saskatoon | 6,651,067 | 7,223,619 |
| Prince Albert | 1,815,816 | 1,657,032 |
| Edmonton | 19,416,376 | 20,564,353 |
| Medicine Hat | 1,417,769 | 1,873,986 |
| Lethbridge | 2,788,513 | 3,523,573 |
| New Westminster | 3,172,751 | 2,767,263 |
| Vancouver | 79,613,763 | 81,649,839 |
| Victoria | 7,769,264 | 7,662,777 |

**Gain Is Shown**

In an address delivered before the St. Catharines Rotary Club recently, Sheldon H. Falkner, manager of the Canadian Bank of Commerce there declared that "Canadian banks cannot by any stretch of the imagination be called a combine against the public interest." . . . Most shareholders in banks are not big shots, he said. Statistics show that the majority of stockholders are persons of moderate means, he added.

Veiled in Mystery
SOUTH AFRICA
tempts you

In The Drakensberg—a six hundred mile range of peaks and ramparts. Inset — a Bushman — one of a now almost vanished race

WATCH the mile-wide Zambesi River swing into the tumbling whiteness of Victoria Falls: Scan the chaotic, riven ramparts, the fluted peaks of the Drakensberg: See the hushed, eerie grottos of the Cango Caves:

Among these and a thousand others of her treasures, South Africa has allowed man to place finely appointed railways, splendid motor roads, excellent hotels. But in yielding this she has yielded nothing: Keeping her dark secrets, her power, her sheer, breathtaking beauty, she tempts you : : : to make it South Africa : : : this year!

Thrills of the Primitive in Civilized Comfort

Banking Service
1817-1938
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £123 millions. Over 860 branches in Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2, and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building - - - Edmonton, Alta.
221A 8th Ave. W. - - - Calgary, Alta.
McCallum-Hill Building - - Regina, Sask.
411 Avenue Building - - Saskatoon, Sask.

BEFORE YOU INSURE — CONSULT
CONFEDERATION LIFE
ASSOCIATION
HEAD OFFICE TORONTO

GENERAL STEEL WARES
LIMITED
Manufacturers of
UTENSILS
for the
KITCHEN, FARM and INSTITUTION
Montreal Toronto London Winnipeg Calgary Vancouver

# Position of Chartered Banks of Canada as of September 30, 1938, Shown by Monthly Returns to Minister of Finance

**LIABILITIES**

| NAME OF BANK | Notes in Circulation $ | Deposits by and Bal. Due to Dominion Government $ | Deposits by and Bal. Due to Provincial Governments $ | Advances from Bank of Canada $ | Demand Deposits in Canada $ | Savings Deposits in Canada $ | Deposits Elsewhere▲ $ | Bal. due to other banks in Canada $ | Due to Banks in U.K. $ | Due to Banks Elsewhere $ | Bills Payable $ | Letters of Credit outstanding $ | Other Liabilities $ | Dividends Declared and unpaid $ | Reserve Fund $ | Capital Paid Up $ | Total Liabilities $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Montreal | 23,690,009 | 19,356,298 | 6,529,968 | ........ | 198,650,085 | 440,949,374 | 70,787,830 | 3,620,082 | 2,480,255 | 6,320,128 | 168,480 | 7,992,738 | 2,307,146 | 27,837 | 39,000,000 | 36,000,000 | 857,880,236 |
| Nova Scotia | 9,911,924 | 3,631,175 | 968,912 | ........ | 48,137,567 | 150,723,789 | 49,369,501 | 3,303,299 | 223,733 | 1,749,187 | 58,663 | 5,798,853 | 103,404 | 361,659 | 24,000,000 | 12,000,000 | 310,341,670 |
| Toronto | 4,106,924 | 2,564,536 | 722,012 | ........ | 34,579,260 | 81,114,175 | 493,040 | 2,216,056 | 750,010 | 2,063,113 | ........ | 1,111,663 | ........ | 2,972 | 9,000,000 | 6,000,000 | 144,725,774 |
| Provinciale | 3,062,671 | 214,139 | 1,135,927 | ........ | 7,740,254 | 40,047,882 | 102,046 | 2,012 | ........ | 445,749 | ........ | 19,579 | 2,446 | 9,421 | 1,000,000 | 4,000,000 | 57,782,133 |
| Commerce | 18,475,761 | 7,566,573 | 11,271,478 | ........ | 155,243,492 | 319,310,120 | 63,399,588 | 1,658,802 | 1,686,202 | 8,369,699 | 13,112 | 16,725,359 | ........ | 612,421 | 20,000,000 | 30,000,000 | 654,332,612 |
| Royal | 28,593,418 | 10,428,085 | 10,727,541 | ........ | 180,243,892 | 321,579,105 | 230,372,680 | 237,034 | 2,143,644 | 12,097,719 | 74,095 | 19,182,426 | 53,455 | 40,909 | 20,000,000 | 35,000,000 | 870,774,099 |
| Dominion | 5,201,089 | 1,341,694 | 495,805 | ........ | 35,490,493 | 76,113,720 | 4,973,690 | 2,522,936 | 196,953 | 707,850 | ........ | 4,046,136 | 439,023 | 175,645 | 7,000,000 | 7,000,000 | 145,714,039 |
| Nationale | 5,084,979 | 1,085,017 | 497,882 | ........ | 25,017,537 | 103,851,668 | 742,914 | 1,382,852 | 41,912 | 1,031,061 | 41,656 | 926,187 | 92,939 | 3,928 | 5,000,000 | 7,000,000 | 151,805,540 |
| Imperial | 5,531,145 | 2,435,645 | 8,165,748 | ........ | 36,373,804 | 90,943,353 | 655,085 | 2,419,312 | 558,353 | 1,605,062 | ........ | 771,089 | ........ | 176,982 | 8,000,000 | 7,000,000 | 164,635,582 |
| Barclay's (Canada) | 384,420 | 69,976 | 11,621 | ........ | 3,561,331 | 7,951,880 | 4,321,965 | 330,574 | 3,183,331 | 1,514,812 | ........ | 530,837 | 4,000 | ........ | 750,000 | 1,500,000 | 24,114,750 |
| Total | 104,044,340 | 48,693,138 | 40,526,894 | ........ | 725,046,724 | 1,632,585,066 | 425,218,339 | 17,692,959 | 11,264,393 | 35,904,380 | 356,006 | 57,104,867 | 3,002,413 | 1,416,864 | 133,750,000 | 145,500,000 | 3,382,106,435 |

**SUPPLEMENTARY INFORMATION**

| NAME OF BANK | Capital Authorised $ | Capital Subscribed $ | Last Dividend % | *Loans to Directors and firms of which they are partners $ | Average Notes and deposits with Bank of Can. $ | Greatest amount of Notes in Circ. $ |
|---|---|---|---|---|---|---|
| Montreal | 50,000,000 | 36,000,000 | 8 | 525,411 | 81,085,620 | 23,880,274 |
| Nova Scotia | 15,000,000 | 12,000,000 | 12 | 2,650,665 | 20,605,000 | 10,216,154 |
| Toronto | 10,000,000 | 6,000,000 | 10 | 648,428 | 12,642,639 | 4,230,584 |
| Provinciale | 5,000,000 | 4,000,000 | 6 | 219,136 | 3,524,174 | [illegible] |
| Commerce | 50,000,000 | 30,000,000 | 8 | 5,749,878 | 59,331,792 | [illegible] |
| Royal | 50,000,000 | 35,000,000 | 8 | 1,488,525 | 47,758,359 | [illegible] |
| Dominion | 10,000,000 | 7,000,000 | 10 | 620,459 | 12,746,301 | [illegible] |
| Nationale | 10,000,000 | 7,000,000 | 8 | 142,724 | 13,237,534 | [illegible] |
| Imperial | 10,000,000 | 7,000,000 | 10 | 548,630 | 10,692,590 | 5,531,145 |
| Barclay's (Canada) | 1,500,000 | 1,500,000 | ........ | 6,800 | 1,142,335 | 384,420 |
| Total | 211,500,000 | 145,500,000 | ........ | 12,600,656 | 262,766,344 | [illegible] |

▲Of this amount, $58,759,923 repreesnts deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada, prior to Aug., 1935.

*And loans for which they are guarantors.

**ASSETS**

| NAME OF BANK | Gold and Subsidiary Coin Held in Canada $ | Gold and Subsidiary Coin Held Elsewhere $ | Notes of Bank of Canada $ | Deposits with Bank of Canada $ | Notes of Other Banks $ | Govt. and Bank Notes other than Canada $ | Cheques on other banks $ | Balances due from other banks in Canada $ | Due by banks in U.K. $ | Due by banks elsewhere $ | Govt. sec. short term $ | Govt. sec. long term $ | Canadian municipal securities $ | Public sec. other than Can. $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Montreal* | 1,076,009 | 95,836 | 15,031,364 | 67,087,925 | 1,263,715 | 542,678 | 34,196,538 | 658 | 4,444,434 | 34,073,556 | 164,059,075 | 190,327,842 | 28,853,738 | 12,090,318 |
| Nova Scotia | 376,656 | 1,441,124 | 4,324,996 | 19,235,814 | 344,039 | 5,716,762 | 11,033,312 | ........ | 3,984,653 | 11,183,665 | 23,967,832 | 71,915,282 | 12,595,893 | 946,208 |
| Toronto | 231,654 | ........ | 2,506,023 | 9,803,266 | 223,785 | 72,926 | 7,872,275 | ........ | 561,211 | 2,005,827 | 10,941,728 | 45,830,234 | 7,497,942 | 34,802 |
| Provinciale | 244,985 | ........ | 990,155 | 2,046,953 | 207,675 | 53,987 | 1,435,202 | 101,893 | 7,659 | 36,808 | 8,623,663 | 6,985,914 | 10,804,641 | |
| Commerce† | 839,549 | 220,244 | 8,786,080 | 55,577,864 | 792,900 | 1,063,365 | 22,042,224 | ........ | 3,564,493 | 24,080,888 | 85,767,682 | 114,425,016 | 10,426,073 | 26,568,903 |
| Royal‡ | 1,279,359 | 3,569,964 | 10,601,028 | 35,207,241 | 1,203,040 | 20,724,588 | 27,649,814 | 2,256 | 15,886,342 | 38,584,717 | 111,696,950 | 152,886,535 | 3,500,789 | 23,375,054 |
| Dominion | 259,615 | 502 | 2,407,619 | 8,875,220 | 354,000 | 158,281 | 6,559,048 | ........ | 802,959 | 2,374,027 | 10,507,938 | 38,319,802 | 4,299,626 | ........ |
| Nationale§ | 609,836 | 349 | 3,588,124 | 7,341,700 | 387,075 | 103,033 | 5,457,196 | 1,116,994 | 36,047 | 1,170,139 | 8,340,831 | 21,795,956 | 14,448,367 | 140,099 |
| Imperial | 362,293 | ........ | 4,543,658 | 4,257,012 | 301,945 | 99,096 | 10,582,561 | 624,382 | 532,521 | 2,839,139 | 16,121,650 | 36,049,988 | 5,129,497 | ........ |
| Barclay's (Can.) | 2,471 | ........ | 49,967 | 1,451,720 | 8,090 | 14,020 | 948,255 | 2,573,207 | 3,676,523 | 2,305,917 | 4,610,189 | 5,800,655 | 10,511 | ........ |
| Total | 5,282,417 | 5,328,019 | 52,829,014 | 211,484,816 | 5,086,264 | 28,548,736 | 127,776,485 | 4,419,390 | 33,496,842 | 118,672,683 | 444,637,538 | 684,337,224 | 102,567,077 | 63,155,384 |

| NAME OF BANK | Other bonds and stocks $ | Call loans in Canada $ | Call loans elsewhere $ | Current loans Canada $ | Current loans elsewhere $ | Loans to provincial governments $ | Loans to municipalities $ | Non-Current loans $ | Real estate other than Bank premises $ | Mortgage on real estate $ | Bank Premises $ | Deposit for note circulation $ | Other assets $ | Total assets▲ $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Montreal* | 33,183,154 | 5,045,381 | 20,015,267 | 173,303,001 | 9,538,482 | 2,304,355 | 36,574,271 | 1,793,222 | 567,150 | 374,474 | 13,900,000 | 1,202,033 | 1,739,424 | 860,874,[illegible] |
| Nova Scotia | 13,831,609 | 5,797,443 | 1,853,168 | 85,405,682 | 14,722,930 | 1,000,907 | 6,177,355 | 527,378 | ........ | 97,417 | 6,231,535 | 489,171 | 2,657,237 | 311,676,[illegible] |
| Toronto | 4,481,222 | 2,241,415 | ........ | 40,310,671 | ........ | ........ | 7,315,358 | 130,317 | ........ | 39,984 | 3,348,218 | 213,239 | ........ | 146,963,[illegible] |
| Provinciale | 2,348,999 | 4,236,554 | ........ | 14,117,200 | ........ | 186,135 | 2,203,719 | 79,177 | 611,802 | 345,168 | 2,094,391 | 160,050 | 110,346 | 58,142,[illegible] |
| Commerce† | 27,010,476 | 14,545,078 | 12,142,838 | 156,722,334 | 18,813,633 | 7,280,852 | 22,436,286 | 3,366,352 | 2,577,930 | 1,530,998 | 14,745,660 | 1,067,000 | 4,450,651 | 657,580,[illegible] |
| Royal‡ | 33,974,865 | 11,474,292 | 8,295,308 | 203,448,756 | 99,506,260 | 2,472,184 | 18,564,134 | 2,094,387 | 2,646,359 | 768,280 | 14,982,564 | 1,475,000 | 3,793,126 | 874,751,[illegible] |
| Dominion | 3,344,713 | 4,740,003 | 2,605,327 | 48,981,555 | 490,300 | ........ | 685,938 | [illegible] | 70,226 | 30,919 | 5,751,210 | 302,250 | 201,653 | 146,512,[illegible] |
| Nationale§ | 8,352,698 | 6,266,116 | 51,491 | 48,278,327 | 28,654 | 2,673,426 | 12,962,41[illegible] | [illegible] | 1,592,540 | 615,281 | 5,687,081 | 254,373 | 278,441 | 153,272,[illegible] |
| Imperial | 169,819 | 5,094,100 | ........ | 57,383,087 | ........ | 6,385,377 | 7,100,65[illegible] | [illegible] | 252,528 | 350,445 | 6,042,741 | 287,349 | 163,941 | 165,373,[illegible] |
| Barclay's (Can.) | ........ | 694,287 | ........ | 951,605 | ........ | ........ | ........ | [illegible] | ........ | ........ | 450,000 | 18,349 | 18,076 | 24,124,[illegible] |
| Total | 126,697,555 | 60,134,869 | 44,963,394 | 828,903,218 | 143,100,257 | 22,303,236 | 114,110,2[illegible] | [illegible]9,817,994 | 8,328,235 | 4,352,966 | 73,459,400 | 5,468,814 | 13,412,895 | 3,399,779,941 |

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a local incorporated company and the figures are incorporated in the above Return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

▲Total assets include $57,104,867 letters of credit outstanding as shown in liabilities.

*Insurance*

# System of Accounting Suggested for Agents

## Efforts to Raise Standard of Qualifications Directed at Better Bookkeeping Methods — Toronto Institute Offers Correspondence Courses

Higher standards of efficiency are being continually demanded in the fire and casualty insurance agency field. Agents themselves, company officials and government authorities realize that if agents are to give their best possible service to their clients they must have a thorough knowledge of insurance principles, know something about insurance law and be trained in proper methods of accounting and office administration.

The importance of the matter was brought out by Georges La France, superintendent of insurance for Quebec in an address in Toronto when he said that the status of an agent depended on the service he gave his clients and that a company was known by the agents it employs.

At annual conference of insurance superintendents at Victoria, B.C., the whole subject came in for considerable attention and it was decided that any regulations concerning agents should be transmitted to the various departments of Insurance. Obviously the effect of this is to bring the different provinces together on common ground.

Again at the annual convention of the Ontario Fire and Casualty Agents Association in Toronto a number of points were brought out which, while strictly affecting the situation in Ontario, are obviously of interest elsewhere.

### 213 Licenses Refused

An instance of the way in which existing regulations are being applied was given in the report by Charles C. Johnson, Chief Agency Officer of the Ontario Department of Insurance, when he said that last year 213 persons were denied the right to enter or continue in the insurance business.

At present the Ontario authorities are directing particular attention to the improvement of accounting methods.

It is felt that if a simple uniform scheme could be adopted by fire and casualty agents generally, it would be advantageous not only to the agents themselves, but to the companies and to all concerned.

According to Mr. Johnson there are agents who do not keep proper records of their businesses. In fact, he says, frequently agents brought before the Provincial Advisory Board on Licensing have been found to have no set of books and in some cases no records whatsoever. The assumption is that such agents rely entirely upon the insurance companies to send them a monthly statement of their business. In some cases the renewal of an agent's license has been made contingent on the applicant filing satisfactory evidence that he has installed a proper system of bookkeeping. No suggestion has been made, however, as to the system which should be installed. This has meant that the agent has had to call in an accountant to set up the system.

### A Simple Accounting System

With the object of facilitating the adoption of better accounting methods, Inspector G. N. Sheppard, of the Ontario Insurance Department, evolved a simple system of bookkeeping. This with a few slight changes suggested by competent insurance accountants is held to be a satisfactory system for use in an insurance company. The cost of setting up this system is only about $10 and the system so simple, Mr. Johnson says, that even a person not acquainted with bookkeeping should be able to follow it after very little instruction.

### Institute Course Offered

Another instance of the efforts being made to better agency standards is reflected in the offer of the Toronto Insurance Institute to provide correspondence courses for agents living outside Toronto. It is expected that this policy will be adopted by other institutes.

Objects of the courses, as outlined by J. S. P. Armstrong, agency manager of the Dominion of Canada General Insurance Company and vice-president of the Toronto Institute, are as follows:

To educate those who contemplate entering the agency field in fire and casualty insurance.

To broaden the knowledge of those already engaged in the agency business.

To raise by education the level of insurance agency service rendered to the public.

Two courses were outlined by Mr. Armstrong—one a primary course, designed to coincide with the Agency Qualification Law and to qualify to meet the requirements of the Insurance Department.

The second course would be designed for the agent and broker desirous of improving his knowledge of the business. It would be a highly organized course that would take several years of intensive study to complete.

# Honor is Done Sun Life Head

## Painting of A. B. Wood by Sir Wyly Grier Presented to Company

At a banquet representative of the world wide field organization of the Sun Life Assurance Company of Canada in Montreal last week, an oil painting of A. B. Wood, president and managing director, was presented to that institution.

The event marked the completion by Mr. Wood of 45 years continuous association with the company. The painting which is by Sir Wyly Grier, was presented by Leo Broadhurst, of Toronto.

Mr. Wood who accepted the painting on behalf of the company was also presented by Mr. Broadhurst with a book containing the names of the 3,010 men and women comprising the company's field force. Official hosts of the evening were W. S. Penny, Director of Agencies, who acted as chairman and Mrs. Penny.

John A. Tory, supervisor of western Ontario proposed the toast to Mr. Wood while D. J. Scott, manager of the Chicago branch, presented a photographic copy of the painting to Mrs. Wood.

During the past month a world wide production campaign has been in progress in honor of this occasion and the record of business during the period was presented to Mr. Wood by Mr. Geyelin, president of the Senior Production Club.

# Monarch Life Business Passes $60,000,000 Mark

Business in force with the Monarch Life Assurance Company passed the $60,000,000 mark in September, according to figures recently released by G. C. Cumming, general manager. The figure includes $56.6 millions of life insurance and $3.4 of retirement annuities. Single premium annuities are not included.

The gain in business in force made by the company in 1936 was more than doubled last year, and the increase recorded in the two-year period from September, 1936, to September, 1938, amounts to $5,250,000.

The largest gain for the year to date was made by the Manitoba branch, the increase being $590,000. British Columbia, Mainland and Three Rivers branch also showed good gains as did Ontario and Quebec.

# New Licenses

The Dominion Department of Insurance has issued certificate of registry to the following company authorizing it to transact the classes of insurance noted:

**General Casualty Company of America**—Automobile, excluding insurance against loss of or damage to an automobile by fire, burglary, plate glass and insurance against bodily injury and death by accident; and insurance against liability for loss or damage from accident to employees or other persons or to property.

We Manufacture
Envelopes
for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

FIDELITY
Insurance Company
of Canada
TORONTO

The Wawanesa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company—in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: York & Harbour Sts., Toronto. Branches in Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal, Moncton.
FIRE, WINDSTORM, AUTO, CASUALTY

IS IT POSSIBLE?
This Armistice Day VALUE
ROOM BATH MEALS November 11th-13th Armistice Week-End $10 PER PERSON $12—$14
Yes, Armistice Dance, delicious Senator food, sea water baths, vita glass solarium, bright sun decks overlooking the ocean.
Write for reservation. F. Ernest Todd, Res. Mgr.
The SENATOR
ATLANTIC CITY

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C SMITH Chief Agent
CONCOURSE BUILDING
TORONTO
Fire and Allied Lines Written in Associated Companies

**MONTREAL LIFE DIRECTORS**

ALFRED H. PARADIS — A. L. MAILMAN

At a meeting of the board of the Montreal Life Insurance Company last week Alfred H. Paradis and A. L. Mailman were elected directors.

# T. H. Wood Estate Shows Bank, Insurance Interests

Estate of Thomas Henderson Wood, Toronto businessman, was valued at $2.2 millions, the bulk of which was in the shares of banks and insurance organizations, and held through the Adamsville Securities Ltd., personal holding company.

The estate was comprised of: Real estate, $152,689; debts and promissory notes, $33,294; cash, $11,577; bonds, $52,956; stocks, $1.9 million and miscellaneous assets, $13,929.

Mr. Wood was president of the Toronto Mortgage Co., director of Consumers' Gas Co., Canadian Bank of Commerce and in the advisory committee of Economic Investment Trust Ltd.

A list of the stocks and bonds in Mr. Wood's will follows:

| | Value $ |
|---|---|
| Economic Investment Trust 5%, due Nov. 1, 1957 | 51,733 |
| Dom. Telegraph Cert. of Interest | 198 |
| 100 shs. com. Canada Bud | 650 |
| 750 shs. 1st pref. Canadian Canners | 12,188 |
| 500 shs. 2nd pref. Candn. Canners | 3,938 |
| 125 shs. Hiram Walker com. | 4,609 |
| 125 shs. Walker pref. | 2,203 |
| 150 shs. Dom. & Anglo Invest. pref. | 10,500 |
| 100 shs. Dom. & Anglo Inv. com. | 2,500 |
| 288 shs. Monarch Mortgage and Investment Ltd. pref. | 432 |
| 192 shs. Monarch Mortgage and Investment common | No mkt. |
| 1,380 shs. Economic Invest. Trust common | 38,640 |
| 50 shs. Baseball & Athletic Co., Toronto, $100 par value | No mkt. |
| 600 shs. Halifax Fire Insc. Co. com. | 13,500 |
| 50 shs. Maple Leaf Gardens pref. | 313 |
| 10 shs. Maple Leaf Gardens com. | 32 |
| 500 shs. Bank of Toronto | 115,000 |
| 2,416 shs. Bank of Commerce | 391,392 |
| 106 shs. Imperial Bank | 21,200 |
| 1,150 shs. Toronto Mortgage | 126,500 |
| 600 shs. Consumers' Gas | 110,400 |
| 50 shs. Drew Brown Ltd., Montreal, com. | 1,000 |
| 34 shs. Citrus Co. of Jamaica pref. | 170 |
| 66 shs. Citrus Co. of Jamaica com. | 363 |
| 5 shs. White Circle Luncheon, Montreal | 35 |
| 1,400 shs. Dom. Scottish Inv. com. | 1,400 |
| 700 shs. Dom. Scottish Inv. pref. | 20,300 |
| 50 shs. Quareau Fish and Game Club | 2,000 |

The following securities were held by the Adamsville Securities Ltd., valued at $1 million.

| | |
|---|---|
| 40 shs. International Telephone & Telegraph common | 310 |
| 125 shs. Gatineau 5% pref. | 10,250 |
| 200 shs. Gatineau com. | 1,775 |
| 6 shs. Tormont Corp. common | 600 |
| 35 shs. Canadian Envelope Co. | 525 |
| 12,414 shs. Home Insurance Co. $5 par value | 288,626 |
| 6,300 shs. Franklin Fire Insurance Co., Philadelphia com | 127,575 |
| 167 shs. New Brunswick Fire Insurance Co., New Jersey com. | 3,841 |
| 3,750 shs. Aetna Insurance Co. of Hartford common | 148,125 |
| 1,800 shs. Home Fire Security Corp. common | 3,150 |
| 900 shs. National Liberty Insurance Co. of America common | 5,850 |
| 150 shs. Baltimore American Insurance Co. of New York common | 750 |
| 5,412 shs. Fidelity Phenix Fire Insurance Co. par value $2.50 | 143,418 |
| 2,400 shs. Hartford Fire Insurance Co. common | 157,200 |
| 300 shs. Carolina Insurance Co. common | 6,000 |
| 332 shs. Montreal City and District Savings Bank common | 109,560 |
| 1,200 shs. C.P.R. common | 7,500 |
| Tormont Corp. bonds plus accrued interest | 30,740 |

## Insurance Problems

### Universal Life

Will you please give me some information regarding the Universal Life Assurance and Annuity Company of Winnipeg? I attach application blank on which you will find endorsed actual cash results paid on endowment annuity contracts 1928 to 1936. Are returns on newer contracts likely to reach the rate of 6% compound interest on the ionvestment?

The Universal Life Assurance and Annuity Company was organized about 1902. It is licensed to do business in the Province of Manitoba. Some three years ago control passed into the hands of S. C. Tweed and Senator John T. Haig, of Winnipeg. The rate of over 6% which the application blank states was earned on contracts that matured 1928 to 1936 would, of course, apply on contracts taken out some years previously.

Elsewhere in the company's literature, however, it is stated that the figures quoted "are an illustration of what has been paid in the past and do not necessarily indicate what will be paid in the future. The maturity value that will be paid in the future will, of course, depend upon future earnings." This statement is, of course, quite right. It may be said, however, that the present level of interest rates is much lower than those prevailing prior to say 1930.

The management claims that it has reduced expenses sufficiently to offset the lower interest rates. The company is shown in the report of the Superintendent of Insurance for Manitoba for 1937 to have risks in force of $17,480. Business written was $14,480. Business in the current year is stated to be running higher however. Premiums in 1937 were $26,988 and losses $25,765.

**London, Ont.**—Reduction in tax rate in 1939 of one mill has been forecast. The only new debenture issue in sight at the present time is one for $200,000, voted by ratepayers last December toward the construction of a new unit for the civic hospital.

**Revelstoke, B.C.**—Contract for a new city hall has been awarded to a Vancouver construction company. The structure will cost $32,668.

## Insurance Notes

Arthur S. Rogers, general manager of the London and Lancashire Insurance Company and president of the London Insurance Institute, was the guest speaker at the inaugural dinner of the Toronto Insurance Institute last week. In his address he dealt with a plan for a broadened educational work.

Colin E. Sword, president of the Institute, who presided, outlined a plan for the future and a special plea was made for financial support to make it possible to provide more adequate accommodation and better facilities for carrying out the objects of the Institute.

Certificates were presented to about 50 students who had passed examinations in the fire and casualty courses. A. E. Pequegnat, assistant general manager of the Mutual Life Assurance Company of Canada, brought greetings from the sister institute.

## Municipal Finances

**Amherstburg, Ont.**—A plan of refinancing the debenture debts of the municipalities is being drafted by the town council. In 1939, 1940, and 1941 the town would have to pay between $20,000 and $23,000 on debenture interest. It is suggested that the town communicate with debenture holders to ascertain their reaction to a plan of refinancing so that the interest rate may be spread over a period of five years, which would mean a reduction of from seven to 10 mills on the tax rate. All the information on this subject will be collected and presented to next year's council.

• • •

**Edmonton, Alta.**—Taxpayers' Protective Association was told that for the first time within its history the city is living within its income. If additional expenditures are made by the school board it is possible that Edmonton's mill rate of 54 mills may be increased next year. In the past 17 months the city's bank overdraft has been reduced by $740,000, but it will still take a few years to put the city back on its feet financially. Despite this improvement Edmonton still has the highest per capita debt in Canada.

• • •

**Chatham, Ont.** — Uncollected tax arrears at Sept. 30, 1938, were as follows: 1934 and previous years, $7,558; 1935, $12,443; 1936, $16,855; 1937, $39,321, totalling $76,177.

Where to STOP IN Canada When you GO
Montreal QUEBEC → MOUNT ROYAL HOTEL
Niagara Falls ONTARIO → GENERAL BROCK HOTEL
Hamilton ONTARIO → ROYAL CONNAUGHT
Windsor ONTARIO → PRINCE EDWARD HOTEL
ALL UNDER THE DIRECTION OF VERNON G. CARDY

# Brewery Starts Pension Scheme

## John Labatt Ltd. Provides Annuities for Employees

Pension plan to assure employees life incomes after retirement has been established by John Labatt Ltd., London, Ont., brewing company, in collaboration with the annuities branch of the Dominion Department of Labor.

A deposit of $141,343 has been made to cover accrued liability of past service of the 408 employees affected by the scheme. The deposit is equivalent to 3% of the current yearly wage for every year of past service of eligible employees.

In addition to this contribution, the company will pay half of the future annual deposits for eligible participating employees. These deposits may not exceed $4 a week, including company contribution. Contributing workers are entitled to retire and begin drawing pension payments at 65 years of age for male workers, 60 years for women workers.

Participants leaving the employ of the company before retirement age are entitled to draw annuities proportionate to contributions made, or may continue making deposits as long as desired. Participants who die before reaching retirement age are assured that their deposits will be repaid with interest to dependents, together with company deposits with interest if they are still in the employ of the company at time of death.

If beneficiaries die after retirement but before expiry of 10 years from commencement of pension payments, a sum equivalent to payments for the rest of the 10-year period will be paid to the estate.

Pension payments under the plan will range from $300 to over $1,000 a year, varying in accordance with length of service, age on joining the scheme, and amount of salary or wages paid during employment. Participation in the scheme is voluntary for all employees at present on the payroll and employed for one year or more, but will be compulsory for employees engaged in future. If the wage or salary rate of any employee is increased, premium payments of both the worker and the firm will rise.

The pension plan is in addition to the group insurance plan already effective at the Labatt plant.

# Easy Washing Co. Declares 35-cent Dividend on Pref.

Easy Washing Machine Co. paid a dividend of 35 cents on Nov. 1 to shareholders of record Oct. 22, on the 7% preferred stock, of $10 par value.

Arrears of dividends for the three quarters are thereby reduced to 52½ cents, and payments covered to the end of 1937. It is probable that no consideration will be given to another disbursement until the first of next year, at which time a full year's dividend of 70 cents will be in arrears.

AT THESE LOW RATES
YOU CAN AFFORD TO CARRY LIFE INSURANCE
PROTECTION TO AGE 65
WITH SAVINGS PLAN
WRITE FOR FULL DETAILS
THE UNIVERSAL LIFE
ASSURANCE AND ANNUITY COMPANY
Established 1902
505 PARIS BLDG. - - - WINNIPEG
A Universal Cook Book Mailed on Request

# Remington Rand Earns 13c a Share

## Larger Volume of Orders Gives Encouragement for Balance of Year

Remington Rand Inc. reports net profit of $415,123 for the quarter ended Sept. 30, 1938, after depreciation, interest, income taxes. This is equal to 13 cents a share on the 1,584,894 shares of common stock. In the corresponding quarter of 1937, the company had a net profit of $912,401, equivalent to 45 cents a share on the common. The report of the latest quarter, however, marks a considerable improvement from the $93,152 net reported in the preceding quarter. Net sales for the September quarter were $10 millions against $11.6 millions in the quarter ended Sept. 30, 1937.

In the six months ended September 30, 1938, the company has earned 6 cents a share on its common stock against $1.26 a share in the six months of 1937.

Encouragement for the coming quarter is given by the statement that orders on hand in September for the first time this year exceeded those of the corresponding month of 1937 and the backlog of unfilled orders at the end of the month showed an increase over the 1937 volume for the first time in eight months.

### Commodity Exchange Member

MONTREAL. — Ronald A. Chisholm, of Toronto, has been elected a member of the Canadian Commodity Exchange.

# Standard Steel May Pay Dividend on Common

There is a strong possibility that a dividend will be paid on the common stock of Standard Steel Construction Co. in the near future. This company cleared off the remaining balance of its arrears on the preferred stock on Oct. 1, 1938.

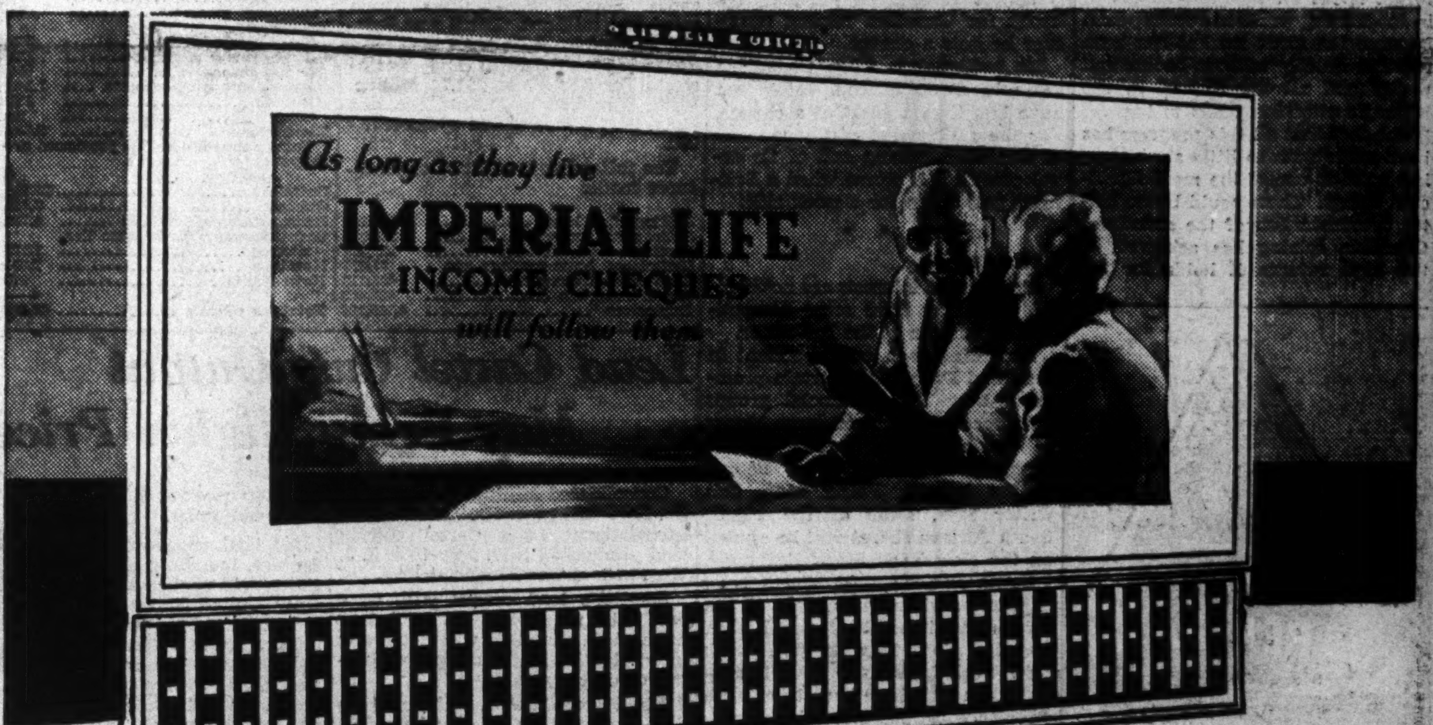
Chief beneficiary of such a dividend would be United Steel Corp. which holds over 95% of the Standard Steel common.

The dividend provisions of Standard Steel provide that no payments can be made on the common until net current assets are at least $150,000 and twice current liabilities. The company's balance sheet as at Dec. 31, 1937, showed current assets of $675,183 and current liabilities of $227,543, leaving working capital at $447,640.

37 YEARS
SINCE 1901 NORTHWESTERN MUTUAL HAVE RETURNED MORE THAN 23 MILLION DOLLARS IN DIVIDENDS TO POLICYHOLDERS.
BRANCHES ACROSS CANADA
Toronto Hamilton Ottawa Halifax St. John
Moncton Quebec City Montreal Winnipeg Saskatoon
Edmonton Calgary Kelowna
Victoria Vancouver
NORTHWESTERN MUTUAL FIRE ASSOCIATION
NON-ASSESSABLE POLICIES ASSETS $7,683,067

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office: Toronto, Ont.
ALL PROFITS FOR POLICYHOLDERS

CROWN LIFE
INSURANCE COMPANY
Established 1900
Home Office Toronto
How long could Your Family carry on without Your Earning Power?



LIFE INSURANCE BRINGS PROTECTION
...POSTER ADVERTISING SELLS IT!
Thousands of Canadian Homes are made happier through Imperial Life income cheques. Thousands more will be made happy in future years, from policies sold as a result of this Poster.
Poster Advertising is seen by the masses.
Its pictures tell the story.
It is always visible.
Everyone understands it.
Poster Circulation figures are audited and their accuracy approved by the T.A.B. (Traffic Audit Bureau).
There is no guesswork in buying Poster Advertising today. You know exactly the circulation you get for the money you spend.
The average cost of a representative showing in 250 Canadian cities and towns with a daily net advertising circulation of 2,369,420, is only 13.2 cents per thousand readers.
POSTER ADVERTISING SELLS!
POSTER ADVERTISING ASSOCIATION OF CANADA

*Week in Mining*

# Mining Stock Appeals To Investment Trust

## Increases Nearly All Gold and Base Metal Share Holdings—Mines Spend $40 Millions Yearly—Bad Advertising in London

Marking time is the way some people are describing market action of the past week. We prefer to call it a week of progress.

For several reasons: Markets must have their up's, down's and their dawdles along on the level. So the longer the market stays on the level, the sooner the turn is coming.

Some important buying in the senior golds in recent weeks has apparently been completed for the meantime, a fact which is being interpreted as another agreeable hint of the road ahead.

Base metal shares have held the general rise which followed European appeasement, the announcement of world powers that armament was to continue and—this is probably the most important thing—public appreciation of the fact that any general business upturn will mean more to base metal producers than almost any other single phase of business.

October copper statistics are expected to be very bullish reading, and world consumption is already reported showing vigorous increase. One big copper customer which has not been active in buying recently is Japan. Indications are that she will be back in a big way shortly.

* * *

### *Boost For Mines*

The report of the Canadian Investment Fund for the three months to September 30 shows changes in its portfolio of high interest to all mining men.

For instance, during those three months, it took Wright-Hargreaves stock into its portfolio for the first time and to the extent of 8,000 shares. It bought another 2,000 shares of Hollinger and now owns 6,000 in all. It added 1,400 shares of Lakeshore for a total of 4,400. It bought 200 shares of Smelters for a total of 5,200. McIntyre stocks were increased by 600 to 3,800. It added a similar number of shares of Noranda, now owning 5,400. International Nickel stocks were increased by 1,000 to 7,000. Hudson Bay remained unchanged at 9,000 shares. Not a single holding of mining stock was reduced. With one exception, there was an increase in every case. Gold mining stock now occupies 8.2% of the trust's invested assets, base metal stocks, 19.66%.

* * *

### *Dramatic Evidence*

Canada's mines are spending more than $40 millions a year for supplies of all kinds, about 40% more than two years ago. That is the dramatic testimony to the important place mining now holds in our national economy revealed by the Dominion Bureau of Statistics in a special study. And that $40 millions is only part of the story. How much miners and their families have to spend—and they are good spenders—no one has computed.

That 40% gain over two years ago is also an astonishing revelation of progress. A good many Canadians forget about all that has happened in the mining world in recent years. Because the stock market has been running quietly without booms and panics and all the rest of it, the layman's attention tends to lag.

The fact that all this progress has been made with so little stock market noise is one of the most significant things. There could be no better demonstration of the soundness Canadian mining has achieved, of the high returns it holds for the studious, patient and, of course, lucky, investor.

* * *

### *Mad*

Getting mad is no use, but along with everybody else who cares a hoot for the interests of Canadian mining we deplore, to put it very mildly, the business that brought us a letter this week from Britain.

The writer was a medical man with a Harley Street address. He wanted information about four Canadian "mines," as he called them. He had been sold shares a couple of years ago.

We shan't name the properties he asked about. They are now forgotten. But take our word for it, they were about the rankest "dogs" ever organized. In nearly every respect, they were bad.

* * *

The maddening thing is this: the doctor doesn't know, or is most unlikely to know, the general mining picture of Canada as well as almost any Canadian. Most Canadians have some vague notions of the risks involved in investing in mine prospects. They know—or should know—that one strike out of half a dozen throws is good going and eventually returns handsome profits. Canadians also know that the vast majority of Canadian mine prospects are conscientiously promoted and that the speculator gets a fair run for his money. Canadians also have some appreciation of how vast and how sound Canadian mining enterprise has become.

* * *

### *Unlikely*

These are things that the Harley Street doctor is unlikely to understand. He is now doubtless circulating among his friends with a horrible tale of Canadian mining. He is almost sure to be putting in a knock for Canadian mining wherever he gets a chance.

It's bad enough when Canadians get sold stock in companies that have less than a ghost of a chance. For the good name of Canada and of Canadian mining and of its development, it is worse when a Britisher gets taken for a stock ride.

* * *

### *Competition*

If Canadian interests are not careful they may have some competition slipping in at the back door.

According to a correspondent in the Rand Daily Mail, certain prominent New York financial groups have recently acquired large blocks of South African mining stocks. Pierpont Morgan is stated to be one of the buyers. Fairly soon, this writer says, some of the bigger South African shares will be quoted on the New York Stock Exchange.

South African gold shares have long had a virtual monopoly on the gold mine interest of the British investor. To date, what gold stocks New York buys have been largely Canadian and there have been some strong indications that this business will probably increase.

* * *

### *Higher Gold*

Most observers are now saying they won't be surprised if the price of gold goes higher in the future. But few are expecting that rise to be only a few months away.

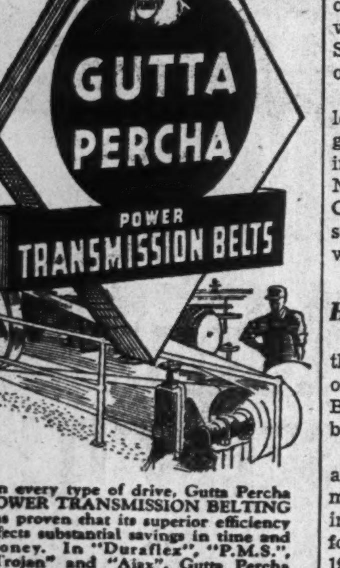
A writer in The New Rhodesian, another publication of the African mine fields, declares: "When Washington has completed its estimates for the spending programme of 1938-9, the United States Government will be compelled to increase the price of gold again." The article goes on enthusiastically to show how that will permit the opening up of "mines" which can't operate profitably with gold at its current price.

* * *

Bond financing for mines is proving popular, as well it might considering the success both for investors and management that this system has brought in every case where it has been tried so far. Chromium now announces that its bond and share offering is oversubscribed.

* * *

East Malartic turned over its mill on Tuesday and it is expected that rated capacity of 600 tons daily will be reached shortly on a regular milling basis. Officials expect average grade to be in the neighborhood of $6.25 per ton with operating costs around $2.50 a ton.



On every type of drive, Gutta Percha POWER TRANSMISSION BELTING has proven that its superior efficiency effects substantial savings in time and money. In "Duraflex", "P.M.S.", "Trojan" and "Ajax", Gutta Percha supply a complete range of belting covering every transmission need.

GUTTA PERCHA & RUBBER, LIMITED

*Branches Across Canada*

HALIFAX ST. JOHN QUEBEC MONTREAL
OTTAWA • TORONTO • LONDON • WINNIPEG
REGINA SASKATOON CALGARY EDMONTON
VANCOUVER VICTORIA

*Need*
ENVELOPES?
PHONE
DOMINION ENVELOPES LTD.
130-150 DUCHESS ST., TORONTO
*We have them all Kinds*
ELGIN 7271

### *PROFESSIONAL DIRECTORY*

HANS LUNDBERG LIMITED

HEAD OFFICE
TORONTO
Victory Building
Douglas Burton
Theodor Zuschlag

MONTREAL
Dominion Square Bldg.
Hans Lundberg
G. K. Lowther, Ph.D.

NORANDA
Quebec
R. Grimes Graeme, Ph.D.
Basil T. Wilson, M.Sc.

GEOLOGICAL AND GEOPHYSICAL SURVEYS
Western Representative, VICTOR DOLMAGE, Marine Bldg., Vancouver

# Anglo Canadian Oil Expansion

## Plans Wildcatting Five New Structures by New Year

From Our Own Correspondent

MONTREAL. — Anglo Canadian Oil Co. has secured acreage on five outside structures, involving some 90,000 acres of potential oil reserves, according to a statement issued by A. J. Nesbitt, president of Nesbitt Thomson and Co. and a director of Anglo Canadian Oil. It is planned the drilling on all these structures will be commenced not later than the first of the year.

The structures acquired by Anglo Canadian Oil follow: Savannah, situated some 2 miles southwest of Turner Valley, approximately 22,000 acres; Twin Dome, situated some 14 miles south of Calgary, approximately 30,000 acres; Milk River, situated some 20 miles southeast of the Town of Milk River, approximately 3,500 acres; Steveille, situated 120 miles northeast of Calgary, approximately 30,000 acres; and Pincher Creek, situated close to the International Boundary at Foothills, approximately 9,000 acres.

### Enlarge Brandon Refinery

Anglo Canadian Oils Refinery at Brandon operated at a capacity of about 800 barrels of crude per day during August and September and plans are now under consideration for enlarging this refinery and installing a cracking unit.

Establishment of other refineries in western provinces and possibly at the Head of the Lakes is also contemplated, says Mr. Nesbitt.

# Mining Corp'n Makes Report

## Normetal Profitable, But Laguna and Camlaren Uncertain

Normetal is now operating profitably, tonnage has been increased to over 400 tons daily and costs have been reduced.

Further drilling at Laguna has failed to open up sufficient ore to justify extending mining equipment or shaft sinking to greater depths.

Development of the discovery vein at Camlaren has so far failed to justify installation of a 50-ton mill at present.

Jerome claims, acquired this summer in the Opeepeesway Lake area, are promising.

Those are highlights of the report of Mining Corporation for the quarter to Sept. 30 just sent to shareholders.

On the Jerome claims, surface work has disclosed a length of 735 feet gold ore averaging width of 18 feet and having a cut average grade of $8.39. Two diamond drills to 125 feet depth have shown length and width comparable with surface. Two drills are now going and a crew of 31 is at work on the surface.

Flat diamond drill holes on the Laguna failed to indicate the presence of parallel ore bodies. Production for the nine months to Sept. 30 totalled $440,132. Operating costs including current development were $266,832.

An independent engineer and geologist is now examining the property. On his report decision will be made as to further development.

# Our $40 Millions a Year Market

## That Was the Sum Canadian Mines Spent During 1937 for Supplies and Equipment

Canadian gold mining companies paid over $40 millions in 1937 for consumable goods, including equipment, electric power, freight and insurance, according to a study just prepared by the mining metallurgical and chemical branch of the Dominion Bureau of Statistics. This is an increase of 40% over the figure for 1935, the last year in which a similar survey was made.

Explosives including powder, fuses, and detonators were the largest single item purchased with a total of $4.7 millions. Second in volume was electric power totalling $4.5 millions. Other items in the ten largest are lumber and timber of all kinds, $2.8 millions; freight paid directly to railway companies on incoming goods $2.2 millions; mine machinery $1.7 million; insurance on the lives and health of workmen $1.8 million; electrical equipment $1.6 million; mill machinery $1.5 million and cyanide plant chemicals $1.5 million.

The vast proportion of this expenditure was made by the Province of Ontario whose mines spent a total of $25 millions for these goods. Second was Quebec which spent $6.4 millions. Third was British Columbia with $4.8 millions. Fourth, Saskatchewan and Northwest Territories at $1.7 million. Fifth, Manitoba at $1.7 million and Nova Scotia last which spent $278,000.

The following is a list of expenditures made:

| | $ |
|---|---|
| Belting of all kinds | 154,840 |
| Bolts, nuts, screws | 134,018 |
| Castings, steel, iron | 127,509 |
| Unfinished brass castings, etc. | 51,627 |
| Cars locomotives, etc. | 436,113 |
| Track materials | 432,463 |
| Explosives | 4,705,128 |
| Rock drills | 1,129,665 |
| Drill and tool steels | 935,807 |
| Pipe, fittings, plumbing | 1,290,175 |
| Structural steel, etc. | 1,017,566 |
| Wire, rope and fittings | 284,044 |
| Diamonds & bort for drilling | 174,483 |
| Safety equipment | 214,423 |
| Fuel, coal, coke, etc. | 759,688 |
| Fuel oil, gasoline, etc. | 957,351 |
| Lubricants | 322,803 |
| Lumber and timber | 2,848,090 |
| Building materials | 1,320,137 |
| Electrical equipment | 1,595,835 |
| Crushing, grinding machinery | 1,225,233 |
| Filter cloth | 110,091 |
| Balls and rods for grinding | 1,214,385 |
| Mill machinery | 1,528,192 |
| Mining machinery | 1,721,799 |
| Smelter machinery | 33,676 |
| Miscellaneous machinery | 666,439 |
| Motor cars, trucks, etc. | 190,944 |
| Tools | 237,850 |
| Welding equipment | 135,232 |
| Rubber goods, suits, boots, hose, valves | 240,641 |
| Flotation reagents | 215,382 |
| Cyanide | 1,458,666 |
| Acids and chemicals | 239,617 |
| Refractories, brick, cement, fire-clay | 91,441 |
| Smelter fluxes, fluorspar, limestone, quartz, sand | 27,364 |
| Hospital equipment medical supplies | 58,850 |
| Office equipment, stationery | 240,002 |
| Electric power | 4,517,217 |
| Freight: | |
| Incoming, paid direct to rwys. | 2,155,769 |
| Outgoing | 117,463 |
| Express: | |
| Incoming | 65,493 |
| Outgoing | 72,402 |
| Insurance: | |
| Fire | 575,493 |
| Sickness and accident | 133,639 |
| Group insurance | 154,335 |
| Workmen's compensation | 1,540,101 |
| Bullion | 131,750 |
| Other | 90,904 |
| Miscellaneous | 2,542,422 |

Total expenditures by provinces are as follows:

| | $ |
|---|---|
| Ontario | 25,735,255 |
| Quebec | 6,443,970 |
| British Columbia, Yukon | 4,782,813 |
| Saskatchewan, North West Territories | 1,733,161 |
| Manitoba | 1,651,811 |
| Nova Scotia | 278,347 |
| **Total for Canada** | **40,625,357** |

# *Lead Cartel Cuts Output May Bring Higher Prices*

Consolidated Mining and Smelting Co. Ltd. will meet the order of the International Lead Cartel cutting lead production Nov. 1 by 10%, J. J. Warren told The Financial Post.

Smelter's lead output will, as a result, be reduced about 1,500 tons per month. But this will not result in a reduction in the company's output of other metals.

Mr. Warren would make no prediction as to how long lead production might be restricted. "We only know that world stocks are pretty heavy and we wanted to balance production and consumption. There are provisions in the agreement that provide for termination of the 10% reduction."

Asked if he expected a rise in the price of lead, Mr. Warren said such might result, but many factors were involved and "if prices don't go down we shall be very well satisfied."

The reduction in output was originally to have gone into effect Oct. 1, but was postponed because of the European crisis.

All lead producers of the British Empire, including Canada and Australia, will participate in restriction. Only United States lead companies to be affected are those with producing properties in foreign lands. These include American Smelting and Refining Co., with properties in Mexico; the American Metal Co. and the St. Joseph Lead Co. Anaconda Copper may also be affected.

Germany and Spain are not members of the cartel. Germany's lead is required at home and is not exported. Spain's exports have been disrupted by war.

World production of lead outside the United States is around 125,000 tons monthly. Production by members of the cartel is estimated to comprise about 110,000 tons of that figure monthly. The 10% reduction, therefore, will mean a monthly reduction of about 11,000 tons.

IN THE SERVICE OF INDUSTRY

- PUMPS
Centrifugal, Turbine, Rotary and Reciprocating.
- DIESEL ENGINES
Stationary, Portable and Marine.
- ELECTRICAL MACHINERY
Motors, Generators, Axle-Generators, Motor-Generator Sets.
- TRANSMISSION EQUIPMENT
Leather, Balata and Rubber Belting, Flex-Mor V Belts, Pulleys, Shafting, Bearings, etc.
- VALVES AND STEAM EQUIPMENT
Fairbanks and Pratt & Cady Valves, Durabla and Palmetto Packings, Strong Traps, Pipe, Fittings.
- MACHINERY
A complete line of Metal, Woodworking and Mining Machinery.
- SHOP SUPPLIES
Yale Hoists, Norton Abrasives, Quigley Refractories. A complete line of small tools.
- FAIRBANKS SCALES
Models for every Weighing Purpose.
- AUTOMOTIVE EQUIPMENT
Replacement Parts, Accessories, Garage Equipment.
- RAILROAD AND CONTRACTORS EQUIPMENT
Sheffield Motor Cars, Hand Cars, Standpipes, Tank Fixtures, Warehouse Trucks, Concrete Machinery, etc.

Write for our new General Catalogue No. 38

The CANADIAN Fairbanks ~ Morse COMPANY Limited

HALIFAX
SAINT JOHN
QUEBEC
MONTREAL
OTTAWA

TORONTO
HAMILTON
WINDSOR
FORT WILLIAM
WINNIPEG

REGINA
CALGARY
EDMONTON
VANCOUVER
VICTORIA

*The Week in Oils*

# Okalta 6 Well Proves Puzzle to Oil Experts

## Comes in Strong, Then Balks Like a Horse — Herron Is Silent — Petroleum Association Elects New Officers — Report on Repressuring

From Our Own Correspondent

CALGARY.—What happened Okalta 6 well? Why did it stop flowing? How big a well will it be? When will it be in production?

Such are the questions being asked in Calgary by thousands holding oil company stocks. For Okalta 6 affects either directly or indirectly every company operating in the Turner Valley field. In importance it ranks next to the crude discovery well, Turner Valley Royalties.

The well was drilled in with oil for drilling fluid. A few hours after the booster gas was applied the well kicked off and 420 bbls. of oil flowed into the tanks in less than two hours. This was 50 bbls. more oil than there was oil drilling fluid in the hole, indicating the well had oil of its own.

Suddenly, like a balky horse, it stopped flowing. The management at the well thought the tubing or separator was plugged with lime cuttings. It was turned into the flare line and without applying any booster gas, the well kicked off a second time and produced for about an hour through the flare line. It then died again and since early Monday morning, the crew have been experimenting, endeavoring to get the well on steady production.

### *Recall Frontier*

The history of the Frontier Well, which until a few weeks ago was the largest in the field, may be repeated. This well produced only a few barrels a day for almost a week. Then suddenly turned into a gusher. Okalta 6 is over 2,500 feet deeper than Frontier or other wells and will require a greater bottom hole pressure to lift the oil.

Regarding the other questions nobody, not even President Herron, who owns over 50% of the stock in the Okalta Co., has even the remotest idea as to the answers. Nor will Mr. Herron comment.

Sunday, Monday and Tuesday, oil men from all over the field and press representatives from a score of newspapers waited around the well head. There were all sorts of rumors around, but many experienced oil men repeated their conviction that Okalta 6 is a well.

Newswriters and prominent oil operators all had statements prepared showing Okalta's importance to the future of the Turner Valley field. All these newspaper stories and statements were based on the assumption that Okalta 6 would be a producer. Because of the baffling performance of the well most of these statements have been held up and the rumors and the hopes continue.

* * *

### *Others Affected*

Other wells now drilling in the Okalta 6 area are: Anglo Canadian located a mile northeast of Okalta 6. This is an important test well nearing completion with about 200 feet more to drill. Command reached the lime Tuesday at 7,420 ft. West Turner 3 has resumed drilling after a fishing job and expects to hit the lime in another 100 ft. Home 2 located 16 miles north of Okalta and just as important a test well for the future of the field exects to hit the lime any hour.

* * *

### *New Officers*

Alberta Petroleum Association directors elected this week are Dr. J. O. G. Sanderson, Harry Thorn, F. M. Graham, J. H. McLeod, George Watt, Herbert Greenfield, Wm. Kemp, F. P. Byrne, R. A. Brown. The directors will meet Thursday to elect officers.

* * *

Franco Oils resumed drilling Tuesday on important test at Vera Oils in Unity, Sask.

* * *

Announcement by Anglo-Canadian that it is considering the construction of a refinery at Calgary and the establishment of a chain of gasoline service stations in the Prairie Provinces is regarded by oil men here as very significant.

* * *

### *Problem*

A report from the Saskatchewan Department of Natural Resources somewhat modifies the enthusiasm which greeted the coming in of the province's first oil well at Unity, Sask.

Correct name of the well is Vera 2, not Franco 2, the name generally used since the property came into prominence. The well was drilled by Franco Oils but is owned by Vera Oils.

Government inspectors checked conditions at the well and reported oil conditions definitely encouraging. They pointed out, however, that the hole was so small that it would have to be enlarged or abandoned and another hole drilled.

Oil was discovered at 2,091 feet. Government men say the crude is a brown oil, of the type heavy in bottoms. Similar oil was reported in two other wells within a mile of Vera No. 2 in past months, but the flow was not sufficient to warrant improving the wells. After passing the first horizon the boring continued to 2,121 feet where a green oil was encountered.

* * *

### *Repressuring*

The report of Clark Bros., experts on repressuring of oil fields, has now been submitted to Alberta oil interests. It states that repressuring of U. S. oil fields has, on the average, increased recovery by at least 40%.

The report deals almost entirely with the south end of the field or the crude area, where about 90,000,000 cubic feet of gas is produced. It suggests that three separate recycling plants be installed in that part of the field. Total cost of plants would be $1,937,000. Total annual operating costs of three plants including all supplies, wages, insurance, supervision, etc., is estimated at $98,787.

Annual revenue of the plants would be $158,000 based on a 20% royalty on the gasoline extracted from the 90,000 cubic feet of gas at 8c. per gallon, with a gasoline content of .3 gal. per 1,000 cu. ft. of gas. If the gasoline content reached .6 gal. per 1,000 cu. ft. it would be $315,000. These are the minimum and maximum amounts the engineers expect to recover. Amortization costs could be spread over 5, 7½ or 10 years and charged to the crude wells. For instance, a well like Sterling Pacific No. 3, with a high gas oil ratio would cost $18.10 a day, while a well like United No. 5 with a very low gas ratio would be $5.77 a day. These figures were based on the proration schedule in effect Sept. 2, and the amortization on a five-year period.

The report makes no provision for the naphtha or gas well area in the northern part of the field. The gas wells are presently prorated to the available gas market or about 12% of their production. As a result, no gas from these 100 odd gas wells is wasted.

ACCOUNTANCY
AND ALLIED SUBJECTS

The Shaw Higher Accounting Courses by Mail prepare for all accounting positions. Choose the Shaw Course. 40 years of success. 500 expert accountants for reference. The broader your knowledge the better your salary. Course is planned in 3 sections—we can catch step with you at any stage and guide you to the top. Allied subjects include: Cost Accounting, Auditing, Corporation Finance, Practical Banking, Business Administration, Secretarial Practice, Economics, Commercial Law, etc.

*Write for Catalogue, Shaw Schools, Dept. RC-79, Bay and Charles Sts., Toronto, Ont.*

N. C. URQUHART & CO.
STOCK BROKERS
*Members Toronto Stock Exchange*
15 King Street West Toronto, Ont.
ADel. 6028

A. E. OSLER & COMPANY
*ESTABLISHED 1886*
MEMBERS TORONTO STOCK EXCHANGE
*Inquiries invited regarding any Industrial or Mining Stock.*
Osler Bldg., 11 Jordan St. Phone ADelaide 2431

Canadian Mining and Industrial Stocks
Canadian Commodities
OUR STATISTICAL STAFF WILL BE PLEASED TO ANSWER INQUIRIES REGARDING ALL CLASSES OF SECURITIES.
F. J. Crawford & Co.
MEMBERS:
The Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange, Inc.
11 JORDAN ST.
TORONTO
ELgin 2201
Branches:
BARRIE
ORILLIA
HAMILTON

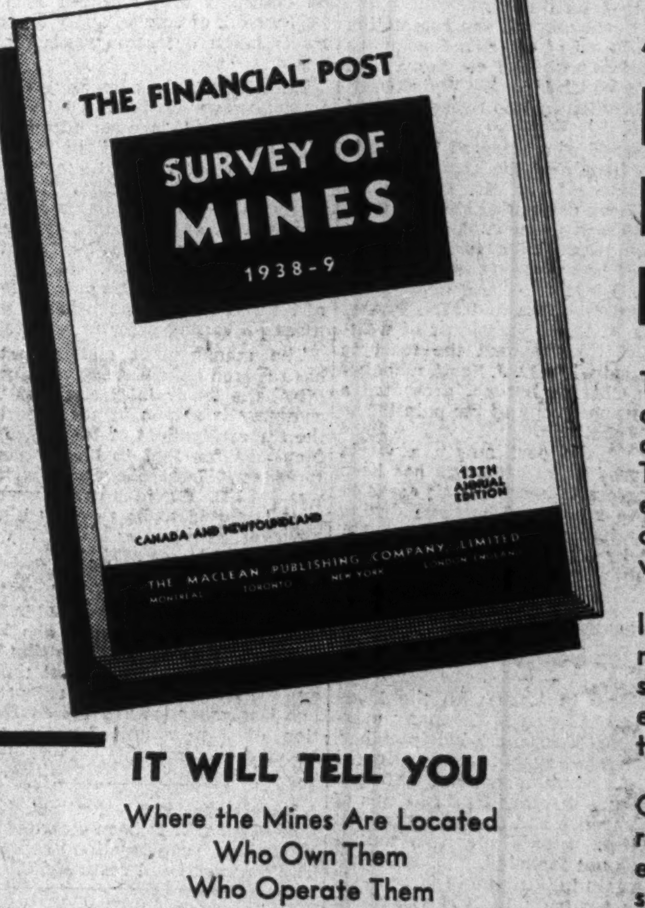
MINING AND
INDUSTRIAL STOCKS
We would be pleased to execute orders or furnish information on all mining, oil and industrial stocks.
G. W. NICHOLSON & CO.
Members
Toronto Stock Exchange
302 BAY ST. - TORONTO
*Telephone*
*Elgin 5317*

B.E.A.R.
Important Notice to Shareholders of
Bear Exploration & Radium Ltd.

Due to developments of major importance to this company, shareholders are urged to have all shares registered in their own names immediately, in order to receive complete information and full benefits from these developments.

Shares should be forwarded to Chartered Trust & Executor Company, 34 King St. W., Toronto, for transfer.

BEAR EXPLORATION & RADIUM LTD.



ALL-NEW EDITION NOW ON PRESS!

The most complete analysis available of the mining industry of Canada and Newfoundland. The product of over 30 years' experience of providing sound and useful information for investors and others.

Indispensable to mine operators, mine executives, financiers, shareholders and those selling equipment, supplies and services to the mining industry.

On producing companies, a full record of production, costs, earnings, dividends, financial structure and details of directorate and personnel. Companies under development fully covered.

Every mining area, every mining camp of consequence shown by accurate, exclusive, up-to-date maps. Ready next week.

IT WILL TELL YOU
Where the Mines Are Located
Who Own Them
Who Operate Them
Their Financial Structure
Development Results
History of Operation
Record of Production
Price Range of Stock
Dividend Records
Maps of Areas and Properties
Metal Prices
Facts and Figures About the Canadian Mining Industry

Over 300 pages; 12" x 9"
Price Per Copy Postpaid $2

YOUR ORDER FORM
THE FINANCIAL POST,
481 University Avenue, Toronto, Canada.
Send me postpaid ...... copies of The Financial Post SURVEY OF MINES, 1938-9.
Herewith $.................. in payment.
*Name* ..................................................
*Address* .............................................. 952

### Legal Directory

**HILL AND PARKER**
*Barristers and Solicitors*
SCOTT BLDG.
Charles Hill John Parker
KIRKLAND LAKE

**TREMBLAY & EUDES**
Advocates, Barristers, Etc.
LUCIEN TREMBLAY
RAYMOND EUDES
266 St. James St. W., Montreal
LANCASTER 5634

**V. EVAN GRAY, K.C.**
General Counsel Work, especially matters of insurance law.
372 Bay Street, TORONTO
Telephone Adel. 6406

*Bonded with U.S.F. and G. Co.*
**A. PAPINEAU MATHIEU**
B.C.L.K.C.
Attorney at Law
266 St. James W. Montreal, Can.
*Write or wire re Quebec Mining Laws*

**MacKENZIE, THOM, BASTEDO, WARD & McDOUGALL**
BARRISTERS, SOLICITORS, ETC.
Regina, Saskatchewan.
Special atttention to Corporation and Commercial matters.

**Victor A. Sinclair, K.C.**
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.
TORONTO, CANADA

**FENNELL, PORTER & DAVIS**
ROBERT FENNELL, K.C. DANA H. PORTER
BRUCE P. DAVIS
BARRISTERS, SOLICITORS
Telephones ADelaide 7382-7383-7384
CABLE ADDRESS, "THIMSON."
TORONTO CANADA

**LANG & MICHENER**
BARRISTERS, SOLICITORS, ETC.
DANIEL W. LANG, K.C.
D. R. MICHENER C. M. RICKETTS
H. S. DAY E. B. JOLLIFFE
372 BAY STREET, TORONTO
TEL. WA. 2931
CABLE ADDRESS "LAMER"

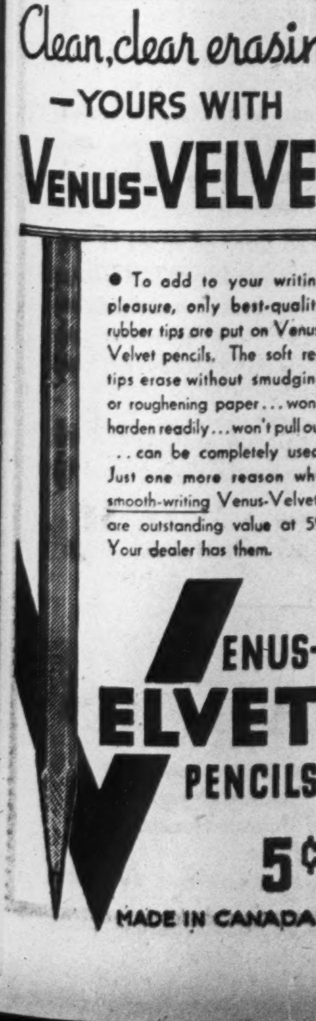
**DAY, FERGUSON, WILSON & KELLY**
BARRISTERS, SOLICITORS, Etc.
JAMES E. DAY, K.C. THOMAS J. DAY
ROLAND F. WILSON, LL.B.
ARTHUR KELLY H. EMERSON MARTIN
1116 FEDERAL BUILDING
85 Richmond St. W. Toronto 2

**McLAUGHLIN, JOHNSTON, MOORHEAD & MACAULAY**
*Barristers, Solicitors, Notaries*
302 BAY ST., TORONTO
Telephone: ELgin 4217
L. Macaulay, K.C., M.P.P.
H. J. McLaughlin, K.C.
W. W. McLaughlin
D. C. Wells R. F. May
H. W. Alles R. H. Soward
L. B. Webster J. M. Magwood

**Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay**
Barristers, Solicitors, etc.
WINNIPEG, CANADA

### BOBJO DRILLING

Drilling is being continued at the original Uchi Lake property of Bobjo Gold Mines and a total of five holes have so far been completed. The first hole returned a value of $14 across 4 ft. but values for the remaining holes will not be released until a clearer picture is obtained. President R. J. Jowsey states that 2,000 ft. of shallow drilling is to be done after which deeper drilling is expected.


Clean, clear erasing
—YOURS WITH
VENUS-VELVET

• To add to your writing pleasure, only best-quality rubber tips are put on Venus-Velvet pencils. The soft red tips erase without smudging or roughening paper... won't harden readily... won't pull out ... can be completely used. Just one more reason why smooth-writing Venus-Velvets are outstanding value at 5¢. Your dealer has them.

VENUS-VELVET PENCILS
5¢
MADE IN CANADA

# Big New Area in Porcupine Affected by Faymar Result

From Our Own Correspondent

TIMMINS.—The speedy and spectacular development of the Faymar find in eastern Deloro township has galvanized a new area in the Porcupine camp.

It turns the spotlight on a formation that seems to stretch from, and beyond the Two-In-One in Whitney, down southeasterly through the Bay Lake ground in Shaw, to the Excello, the Powell, the Faymar, the Jodelo, the Delcairo, the Dayton and, in Ogden, the Stibbard, Orpit and Tonawanda properties.

The story of the development of the Faymar is typical of the Porcupine camp where so many mining Cinderellas have come up to ride in golden carriages. Less than two years ago this ground was a swamp which, in wet weather, showed only a couple of "islands" of rock and the rest mainly under water. H. B. Hatch, as geologist for the Polaris company, advised that organization to take over the claims held by Mark Harris and organize the Faymar Porcupine Gold Mines to develop the ground.

### Encouraging From First

Almost from the very first, the drilling results were encouraging. Hole after hole went down until a length of around 1,400 feet had been indicated along the 350- to 400-ft. horizon. The structure was consistent throughout this length with values running from barely commercial grade up to really high grade sections. A core section of around two feet in length at one end of this mineralized zone assayed, it was stated, $66 in gold per ton while at the other end a section of about the same length ran $72.

Under this encouragement, Detroit interests as represented by Senior Investments Corporation purchased most of the claims around the Faymar and installed a mining plant for deep development work. A three-compartment shaft was sunk to 375 feet in depth and crosscutting commenced on two levels, the 225 and 350.

### Assays High

Recently the crosscut on the first level reached the ore body, showing an assay of $16.50 across drift width. The second level crosscut struck home with assays that were spectacular, particularly in view of the fact that the drill cores at this particular spot had shown values of only $5 and $6. Three drift-width assays ran, over 10 ounces, 24 ounces and 12 ounces in gold per ton respectively.

Drifting on the ore was immediately started on both levels. To date the vein has shown a tendency to expand and contract as the faces advance, but the gold content remains high with visible gold occurring frequently.

### Much Work Planned

This work at depth on Faymar is the first direct indication the camp has yet had of conditions at depth in this particular formation.

Keen activity has set in around the Faymar area with much prospecting work being planned. One owner of extensive property holdings has announced that he will do his assessment work by means of diamond drilling. It is characteristic of ore occurrences throughout most of Deloro township that values are erratic. Neither channel sampling nor drill cores have given satisfactory tests but bulk sampling has usually been encouraging. The experience of the Buffalo-Ankerite and the Delnite has borne out this fact.

# Ontario's Gold Output Lower

## Short Month Plus Fewer Shippers Account For Decline

A short month, only 30 days, and fewer shippers largely accounts for the decline in Ontario's gold production during the month of September as compared with August.

Madsen Red Lake was the only newcomer to the ranks during the month, the Ontario Department of Mines points out and Algold, Deep Lake, Magnet and Red Lake Gold Shores which shipped in August did not appear in the September list. There were 53 shippers compared with 56 in the previous month.

Despite the decline, Ontario's production is well ahead of 1937, with $73.2 millions of gold produced to date compared with $65.2 millions for the same period last year.

**Monthly Output of Ontario Gold Mines**

| Porcupine Belt: | 1937 | 1938 |
|---|---|---|
| Jan. to June | 19,163,261 | 21,105,523 |
| July | 3,340,497 | 4,174,770 |
| August | 3,335,350 | 3,933,146 |
| September | 3,242,081 | 3,688,990 |
| Total | 29,081,189 | 32,902,429 |
| **Kirkland Lake-Larder Lake Belt:** | | |
| Jan. to June | 17,576,161 | 17,692,307 |
| July | 3,002,529 | 3,124,614 |
| August | 2,839,789 | 3,244,150 |
| September | 2,755,517 | 3,066,041 |
| Total | 26,173,996 | 27,127,112 |
| **Matachewan-Sudbury and Timagami:** | | |
| Jan. to June | 998,134 | 1,294,529 |
| July | 195,893 | 227,394 |
| August | 219,679 | 253,996 |
| September | 189,494 | 250,362 |
| Total | 1,603,190 | 2,026,281 |
| **Northwest Ontario: (Includes Algoma, Thunder Bay, Patricia and Kenora and Rainy River district):** | | |
| Jan. to June | 5,316,909 | 6,998,652 |
| July | 991,475 | 1,368,099 |
| August | 1,005,429 | 1,398,089 |
| September | 995,405 | 1,407,470 |
| Total | 8,309,218 | 11,172,310 |
| **Total for Ontario:** | | |
| Jan. to June | 43,054,465 | 47,091,011 |
| July | 7,530,394 | 8,894,877 |
| August | 7,400,247 | 8,829,381 |
| September | 7,182,487 | 8,412,863 |
| Grand total | 65,167,593 | 73,228,132 |

# 10,000 Acres in Manitoulin Reported Interesting Oil Men

From Our Own Correspondent

SUDBURY. — Representatives of the United States syndicate drilling for oil around Manitowaning and Pike Lake, Manitoulin Island, report that operations to date are encouraging and that in view of the apparently ideal conditions they are hopeful of success. It was reported oil had been struck by drillers about half a mile from Manitowaning, a short distance from the site of drill holes put down more than 25 years ago. There was no official confirmation, however.

Meantime, it is reported from the field that leasing of lands is continuing, and large blocks have been secured. A number of the plots which were signed on a 99-year lease in the development programmes of 25 and 30 years ago are involved, but it is understood that technicalities render the earlier leases void, so that the new leases should encounter no legal difficulties. One farmer, on whose land a well was located years ago and later capped, has signed a lease of comparatively short duration, stipulating a royalty of 12½% of the gross income.

### Got Oil 20 Years Ago

Current drilling is being done only a few hundred yards from where a strong flow of oil was secured in operations 20 years ago.

Manitoulin Island is thought by geologists who have investigated the territory to be one of the possible oil fields of Canada, but as yet the results of these investigations have been inconclusive.

Drilling in early days was interrupted by troubles with the Indians, and later drilling has been done regardless of geological structure. Sufficient oil was struck in at least three localities to arouse interest locally, but testing practice was such as to leave some doubt.

### Jesuits Were First

Jesuit missionaries who first administered to the Indians of Ekaentoton (Grand Manitoulin) Island in 1648 probably knew of the presence of oil springs near the eastern end of the island. In a historical sketch, F. W. Major says: "Parties in Montreal who had read in the Relations des Jesuits that there existed in Manitoulin Island a mysterious spring flowing, as the Indians believed, from the entrails of the Great Manitou, in which rock oil was found that cured all human diseases, started stealthily like Jason in pursuit of the golden fleece and they landed at Wekwemikong." The statement has never been really confirmed but it is deemed likely, according to M. Y. Williams, of the Federal Mines and Resources staff, that the missionaries directed the early oil seekers to the oil spring near Wekemikong on Smith Bay.

This spring is located just east of Sturgeon Point and about 10 feet from the water's edge. The surface of the water when last examined was covered with a thick coating of oil. Antoine Trudeau, who owns the land, reports that one winter he saw a spring of oil coming up through the ice near the centre of Smith Bay. A similar showing of oil was reported seen by an Indian in Manitowaning Bay somewhere near Ten Mile Point.

The first serious geological work on Manitoulin Island was done by Alexander Murray over 90 years ago, in 1847, and other investigations followed in 1861, and from 1863 to 1866. More recent studies were made in 1907, 1912-15-16, in 1920 and 1935.

There have been no less than 72 wells drilled at various times and at various locations on Manitoulin. Some of the records give valuable drilling information, but in many cases there was no log kept.

One old well is reported drilled to about 300 feet 68 years ago and to have struck oil.

The Manitoulin Oil Co., organized in Montreal, put down five wells near the site of the oil spring, on the south side of Spring Bay. Some wells yielded small quantities of petroleum, but the supply soon ceased. It is reported the company gave up its operations because of trouble with the Indians.

In 1905 Northern Oil and Gas Co., of Chicago, drilled six wells about two miles southeast of Wekwemikong, three being small producers and three dry holes. Several other wells were drilled in the Wekwemikong Indian reserve with indifferent results.

In the southern part of the town of Gore Bay, in 1909, four wells were drilled by Brake and Johnson. Two produced about 100 barrels of oil between them, one was abandoned and the fourth was dry.

A recent report states in order that oil possibilities of Manitoulin Island and vicinity might be tested under the most favorable conditions, the Gore Bay structure be tested first.

# News Concentrates

**Afton** shares have been removed from trading on the Montreal Curb Market at the company's request.

* * *

**Anglo-Huronian** expects to receive dividend payments from subsidiaries and companies in which large share interests are held sufficient to allow payment of dividends, according to President André Dorfman. He believes it will not be long before dividends are received from Castle Trethewey, McWatters, Privateer, Lamaque and an important interest in British Columbia about which nothing can be said at present. Kerr Addison and Sigma are expected to pay dividends at a later date.

* * *

**Bayonne Consolidated** has not so far been able to locate new sources of ore supply, it is stated; if no new development takes place, a close-down before the end of the year is indicated.

* * *

**Brock Gold Mines** has cut first of two veins in programme of diamond drilling at its property in East Kirkland Lake area.

* * *

**Darrell Gold Mines** has been formed with a capitalization of 3,000,000 shares to carry out development on a group of 27 claims in Earngey twp., Uchi Lake area, Ontario. Five veins have been exposed. Further surface work followed by shallow diamond drilling is planned.

* * *

**Denison Nickel Mines** plans to install a 250-ton mill as soon as funds can be arranged. Finances are now under negotiation with outside interests. Crosscut at 650-ft. level is stated to show width of 40 ft. of better average grade than on levels above.

* * *

**Elizabeth Gold Mining Co.** is carrying on negotiations for financing of renewed work at its property. A recently completed geological survey resulted in the tracing of a new vein for 1,500 ft.

* * *

**Fondulac Mining Corp.** has called a meeting for Nov. 10, to secure approval of distribution of company's assets amounting to $118,559 and surrender of charter. No mining properties are held.

* * *

**Gorham Gold Mines** stated to be negotiating for a mill of 50 tons capacity.

* * *

**Jellicoe Consolidated** has outlined between 25,000 and 30,000 tons of ore averaging about $12 per ton but work on bottom level has apparently failed to indicate commercial possibilities. Company plans to ship ore to neighboring mill when arrangements are completed with proceeds to be used for further exploration. Oro Plata Mining Corporation is to advance funds for getting into production.

* * *

**Katherine Lead** shareholders have approved sale of assets to Smada Lead Mines on share-for-share basis with new shares held in pool.

* * *

**Lebel Oro**—Officials now confirm that a new surface discovery at the Long Lake property has been made. A diamond drilling contract will be let immediately To protect the strike the company took prompt action in staking and recording two additional claims.

* * *

**Lardego** shareholders have approved sale of 18 of company's 21 claims to a new 3,000,000-share company to be formed. Lardego is to receive 850,000 shares of which 200,000 are to be set aside for services rendered. A by-law has been approved providing an underwriting and option on shares of the new company to provide $752,500 if fully exercised. Drilling is to commence immediately and will be carried on continuously to Dec. 31, 1938.

* * *

**Minesta** shareholders have approved a deal under which Toburn will develop the company's property in the Porcupine area. Toburn is to receive its advances out of first production and after these are fully repaid, profits are to accrue in the proportion of 15% to Minesta and 85% to Toburn.

* * *

**New Golden Rose** production for nine months ended Sept. 30, is reported at $316,768 from 30,553 tons of ore milled, an average recovery of $10.37 per ton. Operating profit for period is given at $3,165.

* * *

**Ossian Gold Mines** has arranged funds for its new diamond drilling programme and work is to be started in two weeks.

* * *

**Reno** ore reserves amounted to 13,250 tons as at Sept. 30 sufficient for about three months milling requirements, compared with 20,605 tons on June 30, 1938. Production for the three months ended Sept. 30 was $158,000 from 12,398 tons, an average recovery of $12.74 per ton. Net profit for the period was sufficient to cover dividend requirements of 1½ cents. A new ore source is now being sought.

* * *

**Randall Mines Corp.** is having an examination of its property made by George Miller, Toronto mining engineer, to determine expenditure required for additional equipment and to rehabilitate the mill. Officials expect present financing negotiations will be successfully concluded allowing operation of the mine on a maximum production basis.

* * *

**Read Authier** will close its transfer books on Nov. 30 while shares will be removed from trading on the Toronto Stock Exchange Nov. 28. Shareholders are to be notified within 10 days of procedure for exchange of shares and methods for computing income tax.

* * *

**Reward Mining Co.** has had a geological report made on its Surf Point and Edye Pass mines by Alex. Smith, geologist, which officials feel supports the theory the two properties can be mined to great depth.

* * *

**Sylvanite Gold Mines** produced $1,227,847 from the milling of 95,467 tons of ore, in six months ended Sept. 30, 1938, for average recovery of $12.86 per ton. In same 1937 period, output was $1,102,542 from 86,387 tons, an average of $12.76 per ton. Higher 1938 production resulted from increased milling capacity.

* * *

**St. Anthony Gold Mines** has opened up 532 ft. of continuous ore on 750-ft. level averaging $28.16 per ton across 40 inches. Ore continues in both faces. Stoping above level shows widths up to 12 ft. After dilution, it is expected mill feed will run between $12 and $15 per ton. Vein on 625-ft. level is similar to the 750-ft. level and has been opened for 345 ft. Mill rate of 90-100 tons may be stepped up to 150 tons on further depth development.

* * *

**Upper Canada Mines** has commenced treatment of ore at Morris-Kirkland mill with 100 to 125 tons being handled daily.

* * *

**Washington Gold Mines** is expected to commence programme of diamond drilling shortly.

* * *

**Wood Cadillac Mines** has apparently encountered ore on the 500-ft. level, according to the consulting engineer. Channel samples at footage 423 give returns of $22 per ton, and car samples from the last two rounds assay $7 and $22 per ton.

* * *

**Yama Gold Mines** has indicated 310,073 tons of ore averaging $7.27 per ton in four ore bodies by diamond drilling so far carried out. Four additional zones have also been indicated on which there is insufficient work to estimate indicated tonnage. Additional diamond drilling remains to be done before underground work is undertaken.

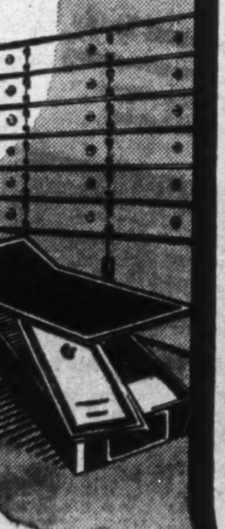
* * *

**Ymir Yankee Girl Gold Mines** net smelter returns for September are reported at $36,399 compared with $33,925 in August and $35,572 in July.

**NORTHERN CANADA MINES LIMITED**
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

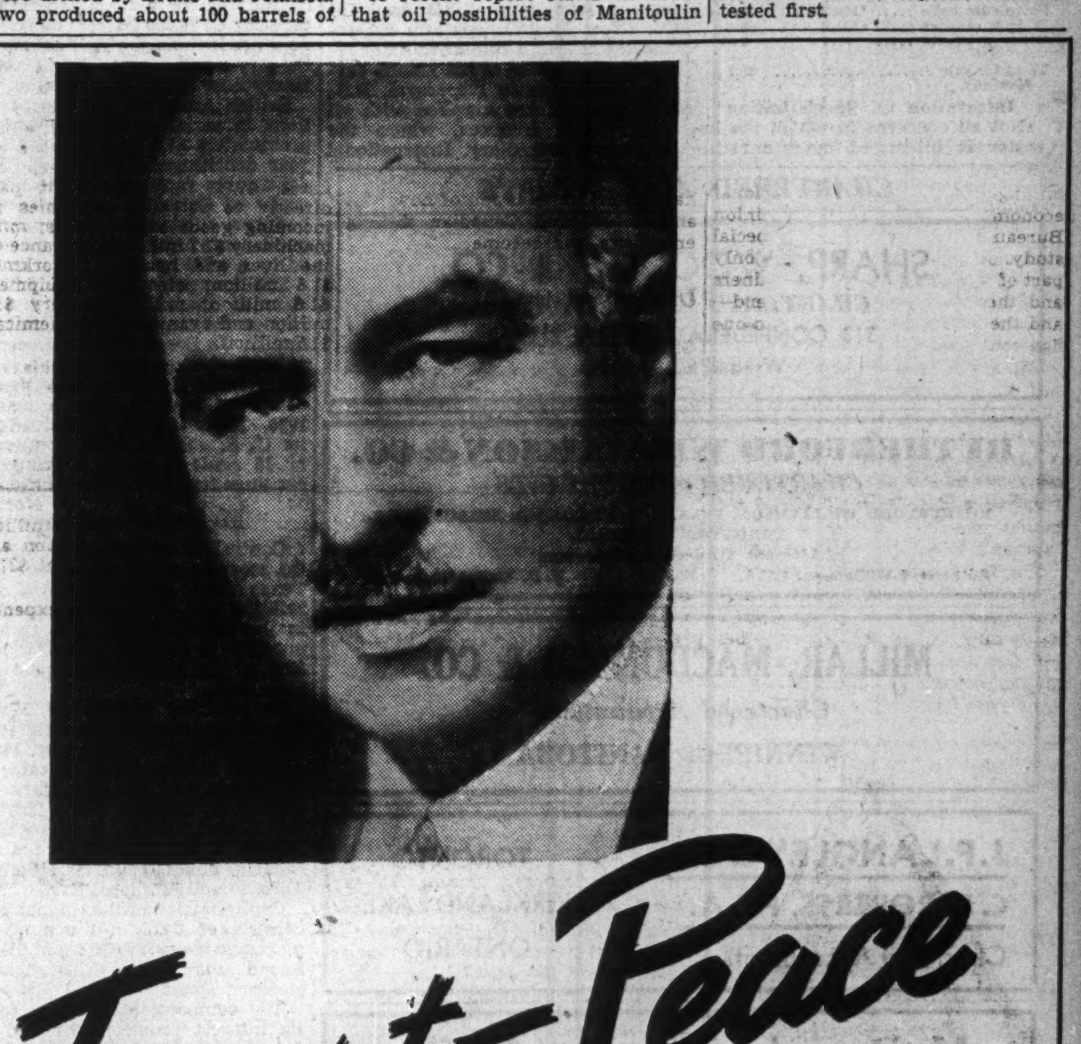
**Investors' Chronicle**
6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C. 2, ENG.

**Support Your Credit Manager**
WITH ADEQUATE TOOLS
As no single factor in your business dissipates profits as rapidly as bad debts.
**Dun & Bradstreet of Canada, Limited**


*Bank Vault Safety*
For a trifling rental you may share the security of our vaults and protect your deeds, bonds, policies, your will and other valuables in a safety deposit box which we provide.
You Keep the Key
Safety Deposit Boxes at all Branches
219
IMPERIAL BANK OF CANADA
Head Office: Toronto
BRANCHES THROUGHOUT CANADA

Smooth, distinctive and unsurpassed in quality and flavour, Piccadilly "London Mixture" has for years held the enthusiastic favour of discriminating smokers who demand a mild tobacco free from "bite". You could not put a finer tobacco in your pipe.
Piccadilly
LONDON
SMOKING MIXTURE
MILD

ONE OF THE WORLD'S WONDERS
**4-IN-1 POLAR DOWN SLEEPING ROBE**
These 4-in-1 Polar Sleeping Robes are changeable to suit climatic conditions. Sanitary and healthful. The vacuum control is the secret. New ideas embodied which give comfort to those who sleep in the great outdoors. Write for latest catalogue.
**S. S. HOLDEN LIMITED**
Manufacturers of Clothing and Equipment for Life in the Great Outdoors
HEAD OFFICE - OTTAWA, ONT.
Sales Offices—Toronto, Montreal, Quebec
Also: 517 Eleventh St. N.W., Washington


*Out of Torment—Peace*
By BEVERLEY BAXTER
The best article Beverley Baxter has yet written. The news behind the greatest news story in twenty years. Three articles in one — Hitler's fanatical Nuremberg speech; Germany in a frenzy of massed might; Chamberlain's last minute efforts, — failure — WAR — triumph — PEACE. Cabled by Mr. Baxter, to catch Maclean's presses, and bring you an intimate picture of Europe's War Crisis.

If you are selling the people who are reading Beverley Baxter in Maclean's, you are selling plenty!

AND IN THE SAME ISSUE
BACKSTAGE AT OTTAWA — Ottawa's real reaction to the European Crisis.
CANON SCOTT — An Armistice Day feature.
DRAMA THE CROWD MISSES— Inside story of many a football game.
*Fiction*
THE GENERAL DIED IN — Another Kent Power mystery thriller.
THE GUY WITH THE FACE — by Charles L. Shaw.
MEDICINE MAN — A further installment of Maclean's popular serial.
*November 1st*
Maclean's
CANADA'S NATIONAL MAGAZINE
NOW ON SALE 5¢

# Behind the Gasoline Problems

(Continued from page 1)

tuations. Recent price cuts in eastern Canada of about one cent a gallon came after this table was prepared.

**Standard Gasoline and Kerosene Prices**
(Cents per gallon)

| | Gasoline | Prov. Tax | Kerosene |
|---|---|---|---|
| Hamilton | 19 | 6 | 17 |
| Toronto | 19 | 6 | 17 |
| Brandon | 24.1 | 7 | 22.3 |
| Winnipeg | 23.5 | 7 | 20.7 |
| Regina | 22 | 7 | 22 |
| Saskatoon | 24.3 | 7 | 24.8 |
| Edmonton | 22.5 | 7 | 21.5 |
| Calgary | 19.5 | 7 | 19 |
| Vancouver | 20 | 7 | 23 |
| Montreal | 18 | 6 | 17.5 |
| Saint John | 17.5 | 10 | 18.5 |
| Halifax | 17.5 | 10 | 18.5 |

### Price Selling

Before leaving the matter of gasoline prices, some mention should be made of the prevalance of selling cut-rate gasoline, particularly in the larger centres. The depression of a few years ago was probably responsible for this growth. Not only did the income of many car owners drop but so did oil prices. There were large quantities of "distress" gasoline offered that could be bought for just about what the buyer cared to offer. This combination brought in a class of business that has proved a "pain in the neck" to the larger companies.

Some of them have met this by providing a "third line" gasoline that can be sold at competitive prices. Others have depended on quality and advertising

### Not All Gasoline

So far this discussion has been confined almost entirely to the automobile market. Here are two reasons for this: It is by far the most important single market; and oilmen are more willing to talk about the motor car end of their business than their other markets. That a substantial market for petroleum production does exist in industry and in other lines than gasoline and lubricating oils is made clear by the following breakdown of products made by petroleum refiners in Canada for 1936:

**Products Made in Petroleum Refineries, 1936**

| | Quantity (Millions of gallons) | Value ($ millions) |
|---|---|---|
| Gasoline | 567.5 | 50.5 |
| Fuel & gas oils | 443.7 | 16.7 |
| Tractor & engine distillate | 33.3 | 3.0 |
| Solvent naphtha | 8.9 | 0.7 |
| Kerosene | 28.9 | 2.6 |
| Lubricating oil | 20.0 | 3.8 |
| Grease | *11.4 | 0.5 |
| Asphalt | 34.9 | 3.0 |
| Petroleum coke | *120.2 | 0.4 |
| Wax & candles | *11.3 | 0.4 |
| Other products | .... | 0.01 |
| Total for sale | | 81.7 |

*Pounds.

### Integration vs. Specialization

Not all concerns in which the investor is interested operate refineries, or are what are called completely integrated companies. The term completely integrated simply means a company that has its own source of crude oil, makes its own arrangements for transportation, operates refineries and distributing systems.

Some companies, however, are solely distributors. This has the advantage of keeping the capital investment needed down, for petroleum refineries are expensive affairs, particularly if attempts are made to keep the plant modern and complete. The distributor does not make this investment, but buys his requirements of oil and gasoline from the most advantageous market. So long as the market for petroleum products is predominantly a buyers' market, the distributor prospers particularly well.

Oilmen are rather indefinite about the industry's next period of expansion. Some indeed feel that possibilities of expanding the total sales volume of the industry in Canada are rather limited. Others, however, point to the tendency for families to purchase more than one car as soon as finances permit. The growth of aviation is mentioned and here expansion is indicated for some time to come.

Perhaps holding more promise is the tendency toward increased mechanization of Canadian farming. That this is important is illustrated by the way in which Turner Valley proration was adjusted upward as the prairie harvest got under way this year.

Use of oil for heating purposes has grown considerably but judged by figures available up to the end of 1935, the growth has been much less rapid lately. In both number of customers and quantity used, 1935 showed a reduction over 1934.

Then again growth of road developments in Canada have a two-fold benefit. The more good roads that are built the greater is the encouragement for motor travel, including tourists. And the building of these roads in itself provides a large market for petroleum products which are extensively used as road-making materials.

### Imperial Oil

Imperial Oil is the largest unit in the refining and marketing of petroleum products in Canada. This company, a subsidiary of Standard Oil Co. (New Jersey), operates six refineries having a combined daily refining capacity of about 114,200 barrels. Refineries in Imperoyal, N.S., and Montreal are supplied with oil from South America, where the company's subsidiary, International Petroleum operates, Texas and Venezuela. Regina and Calgary plants use crude from Turner Valley, the Ioco, B.C., plant crude from California, Colombia and Peru, and the Sarnia plant is supplied through the company's own pipe line from the mid-continent fields of the United States. At Fort Norman, a small refinery uses local crude supplies.

Imperial Oil has 26,965,078 common shares outstanding, of which 70.08% are held by Standard Oil Co. of New Jersey.

For the past three years, the company has paid regular dividends of 50 cents per share, plus extras of 75 cents a share on its stock. In 1937, net profits were equivalent to 98.1c. a share, against 95 cents a share in 1936. The 1937 earnings came 13.1c. from Canadian operations and 85c. from dividends and miscellaneous income.

In addition to International Petroleum Co. in which Imperial Oil owns approximately 60% of the outstanding shares, the company has numerous other subsidiaries and associated interests. Through Royalite Oil Co. and other concerns, it dominates the production of crude oil in western Canada. A wholly-owned subsidiary, Imperial Oil Shipping Co., operates the company's fleet of tankers.

**A Favorite Investment Stock**

Stock in Imperial Oil has long been a favorite trading medium for Canadians and it has returned handsome dividends to shareholders over the years that it has been operating. Its financial position has been exceptionally strong. Its recent policy of paying out more in dividends than it reports in net profit, has undoubtedly caused considerable uneasiness with regard to the continuation of present scale dividend payments.

### B. A. Oil

The British American Oil Co. is a fully integrated company, controlling the transportation, refining and distribution as well as production of all lines of petroleum products, British American operates five refineries in Canada and at present is building another one at Calgary. In the actual production of crude oil the company has important interests in Turner Valley and also in several oil fields in the United States. Its refineries have a combined refining capacity of 24,500 barrels daily. This does not include the Bell refinery at Calgary nor the new 4,500 barrel refinery now under construction.

British American Oil has $3 millions in serial debentures and approximately $3.3 millions of 4% 10-year debentures outstanding. These debentures rank among the highest grade of Canadian corporation debentures outstanding as interest requirements have always been covered by a wide margin.

The company also has 2,623,322 common shares. Current dividend rate on the common is $1 a share annually. In the year ended December 31, 1937, the company earned $1.30 a share from Canadian operations as compared with 95 cents a share in 1936. Early in 1938, it received from its U. S. subsidiary the equivalent of 15 cents a share, making total earnings for 1937, $1.45 a share.

### McColl-Frontenac

Control of McColl-Frontenac Oil Co. recently passed into the hands of Texas Corp., one of the leading oil refining and distributing companies in the United States, as a result of purchase in the open market of about 35% of the McColl-Frontenac common stock.

In securing control of McColl-Frontenac, Texas Corp. entered the Canadian field in a big way. McColl operates throughout the greater part of Canada, and has subsidiary companies in Buffalo, N.Y., Trinidad, B.W.I., and Texas. It operates two refineries, having a combined daily capacity of 22,000 barrels, situated in Toronto and Montreal East.

Capitalization of the company now consists of $12.5 millions of first mortgage bonds, $7,882,800 of 6% preferred stock and 763,783 shares of common stock.

The company has always earned its interest requirements and preferred dividend by a good margin. In the year ended Jan. 31, 1938, interest requirements were earned 4.04 times after depreciation. Profits were equivalent to $15.92 a share on the preferred, compared with dividend requirements of $6 a share. Earnings on the common stock were equivalent to $1.03 a share. The dividend on the common has been passed to permit conservation of liquid resources, in view of the cut in gasoline prices and uncertain outlook for the oil industry.

Working capital at Jan. 31 last amounted to $3.5 millions, current assets totalling $8.7 millions and current liabilities $5.3 millions. Since that time working capital has been increased as a result of the refinancing of the company's bonds. Part of the refunding issue was used to liquidate a portion of the company's bank loans which amounted to $3.4 millions at the end of January.

In oil properties in Trinidad the company has an investment of $2,085,827, after deduction of $608,869 depreciation and depletion reserve. Production from these properties last year was 488,722 barrels. Owing to the heavy gravity of the oil produced none of it was brought to the company's Montreal refinery. The company has not secured light crude oil to date as anticipated

### Canadian Oil Cos.

Canadian Oil Companies is affiliated with the National Refining Co., of Ohio. It operates a refinery at Petrolia, Ont., which has a monthly capacity of 100,000 barrels. Storage capacity at the refinery totals 600,000 barrels.

The company is capitalized with $2 millions of non-callable 8% cumulative preferred stock and 143,764 common shares. Dividends on the preferred have been paid regularly since 1908. On the common, the present rate is 50 cents a share annually while an extra dividend of 12½c. was paid last February. Both common and preferred stocks are listed at Toronto and Montreal.

Net profits were equivalent to 75 cents a share on the common stock in 1937 against a deficit of 14c. a share in 1936. The 1937 earnings were highest reported by the company since 1931.

### North Star Oil

North Star Oil Ltd. distributes petroleum products in Manitoba, Saskatchewan, Alberta and north western Ontario. The company has a refinery at Winnipeg with a capacity of 15,000 barrels a month. Late in 1937, it acquired the properties and assets of Prairie Cities Oil Co.

Capitalization consists of $1 million in 7% accumulative redeemable preferred of $5 par value and 200,000 common shares. Stocks are traded on the Toronto and Winnipeg Stock Exchanges. Difficult conditions in the company's district caused postponement of some preferred dividends in 1933 and 1934, but arrears now amount to only 35c. a share, equivalent to one year's dividend. Accelerated demand for gas and oil in the West this year should aid this company.

### Supertest

Supertest Petroleum Corp. does not do any refining itself but operates a large number of service stations in Ontario and Quebec. Bulk storage stations are operated at strategic points.

Capitalization includes $200,000 in 6% cumulative preferred of $25 par value, 25,000 common stock and 85,000 ordinary shares. The ordinary stock is non-voting and control is held by the voting common stock. Both common and ordinary stocks carry the same rate of dividends which last year was regular payments of $1 plus two extras of 25c. a share each. Another extra of 25c. a share was paid in July of this year.

An accurate comparison of the company's earnings is not possible because of lack of available statements, but the surplus account published for 1937 shows net profits equivalent to $3.90 a share on the combined common and ordinary shares. This compares with $3.23 a share on the same basis for 1936. The company's shares are traded on the Toronto and Montreal Curb Exchanges.

### Crown-Dominion

Crown-Dominion Oil Co. is engaged in the wholesale and retail distribution of gasolines, oils and greases in Ontario. In addition to its own brands of gasoline and oil, the company distributes Veedol Motor Oils and Castrol.

Capitalization consists of 77,269 common shares, listed on the Toronto Curb. Sales last year amounted to $949,979 compared with $773,102 in 1936. Net profit, although equivalent to only 13c. a share, was the first to be recorded for the company since 1932. No dividends have been paid to shareholders with the exception of 15c. a share paid in 1928.

### Thayers

Thayers, Ltd., is engaged in the wholesale and retail distribution of gasoline in south western Ontario, including Toronto. Annual sales are understood to be approximately 4.5 million gallons of gasoline. Interests represented by Midland Securities Corp., London, have been purchasing stock on the open market to acquire control of the company this year.

Capitalization includes 9,550 no par value preference shares and 50,464 common shares. Stock is listed on the Toronto Stock Exchange, but inactively traded. The preference is entitled to $3.50 a share annually and after a payment of this amount on Jan. 3, 1938, arrears were $1 a share. No dividend has been paid to common shareholders since 1934.

Sales in 1937 are reported at $1.2 million against $1.1 million in 1936. On the preference stock, net profits were $4.70 a share against 6c. in the preceding year.

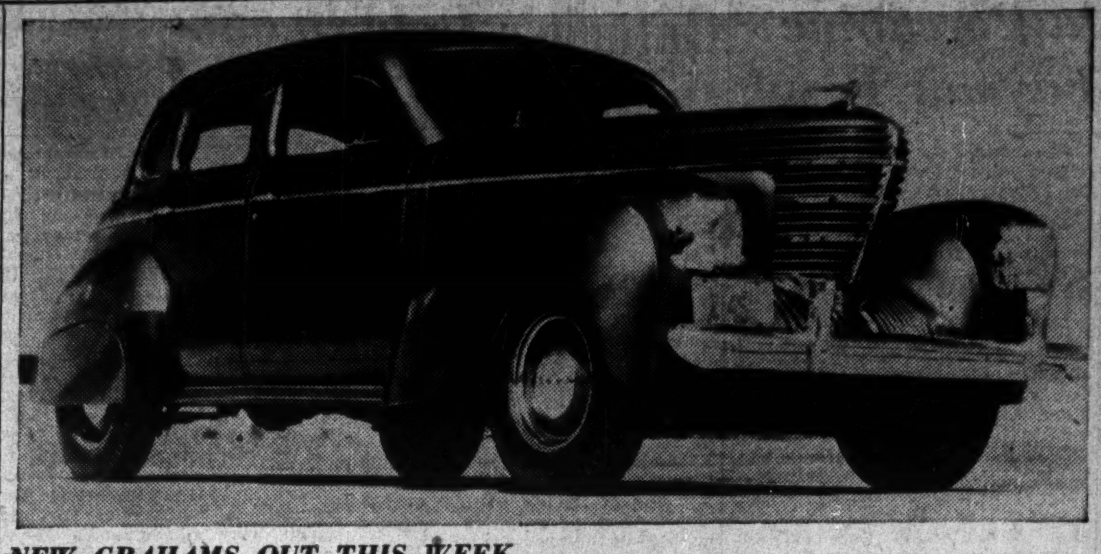
### D. A. Stuart

D. A. Stuart Oil Co. makes and distributes specialized types of lubricants, specializing in oils for use in steel working plants. Its cutting oils are distributed throughout the world. Manufacturing plant is at Chicago.

In the year ended May 31, 1938, the company had net profit equivalent to 69c. a share on its 44,000 shares of participating preference stocks against $2.09 a share in the preceding year. This stock is entitled to 80c. a share annual cumulative dividend which has been paid regularly. No payments have yet been made on the 30,000 shares of common. The preference is listed on the Toronto Stock Exchange.

### Super-Service Stations

Super-Service Stations was incorporated in 1928 in Nova Scotia. The company operates a chain of 47 stations in Nova Scotia, and 17 in New Brunswick, and is actively engaged in the distribution and sale of petroleum products, tires, accessories, and general automotive supplies. Its wholly owned subsidiary, Provincial Oil, is engaged in the wholesale distribution of petroleum products to the company and to independent dealers. In the early part of this year the company's subsidiary entered into an agreement with the Texas Co. to act as exclusive distributor for all Texaco products in the Maritime Provinces. Earnings have shown an appreciable increase since organization. Consolidated net earnings in the last three years, available for dividends and surplus, after providing for bond interest, depreciation and income tax, were as follows: 1937, $68,743; 1936, $87,777; 1937, $93,463. The capital set-up covers $165,000 of series A and B 6% first mortgage serial bonds; $300,000 of series C, D and E 6% first mortgage serial bonds; $300,000 of 5½% cumulative preferred shares, and $156,500 common shares. The financial statement as at the end of last year showed assets totalling $1,174,417 of which current assets amounted to $421,552 compared with current liabilities of $110,184. The consolidated surplus totalled $142,732.



*NEW GRAHAMS OUT THIS WEEK*

Forward lines have again been emphasized in the Graham car this year. Radiator grille, fenders and lights lean into the wind, giving the car an appearance of motion even when standing still. Gear shift on steering column is offered among the accessories of the 1939 Graham. Above, four-door custom sedan.

*CHARTERED ACCOUNTANTS*

**SHARP, WOODLEY & CO.**
*CHARTERED ACCOUNTANTS*
313 CONFEDERATION LIFE BLDG.
WINNIPEG, MAN.

**RUTHERFORD WILLIAMSON & CO.**
*CHARTERED ACCOUNTANTS*
RUTHERFORD WILLIAMSON, F.C.A. HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

**MILLAR, MACDONALD & CO.**
*Chartered Accountants*
WINNIPEG, MANITOBA

**J.P. LANGLEY & CO.**
**C. P. ROBERTS, F.C.A.**
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

**McDonald, Currie & Co.**
*Chartered Accountants,*
*Licensed Trustees & Receivers*
MONTREAL TORONTO QUEBEC OTTAWA

**CLARKSON, GORDON, DILWORTH & NASH**
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Ottawa
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

**WILTON C. EDDIS & SONS**
Established 1895
*CHARTERED ACCOUNTANTS*
Federal Building, Toronto

**ROBERTSON, ROBINSON, McCANNELL & DICK**
CHARTERED ACCOUNTANTS
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

**Masecar, DeRoche & McMillan**
*Chartered Accountants*
SASKATOON, SASK.

**OSCAR HUDSON & CO.**
CHARTERED ACCOUNTANTS
*Head Office* — 199 Bay St. — Toronto, Ont.
Telephone ADelaide 2381
Branches—London, Montreal, Windsor, Winnipeg, Vancouver

**THORNE, MULHOLLAND, HOWSON & McPHERSON**
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

*Chartered Accountants*

**Hudson, McMackin & Company**
*Chartered Accountants*
SAINT JOHN and
MONCTON, N.B.
HALIFAX, N.S.

**ARTHUR S. FITZGERALD**
AND COMPANY
Chartered Accountants
WINDSOR ONTARIO

**L. J. ADAMS & CO.**
*Chartered Accountants*
Dominion Bank Bldg.
REGINA • SASK.

**WILLIAM F. REID**
Chartered Accountant
705 Lancaster Building
CALGARY, ALBERTA

**RONALD GRIGGS & CO.**
Chartered Accountants
WINNIPEG
SASKATOON

Steel Structures, Railway and Highway Bridges, Plate and Tank Work, Electric and Hand Power Cranes, Hydraulic Regulating Gates and Operating Machinery, Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Forgings, Boilers - Heating and Power Types, Coal Pulverizing Equipment, Mining Equipment, Williams Buckets.

**DOMINION BRIDGE COMPANY**
**LIMITED**
HEAD OFFICE ... LACHINE (MONTREAL) QUE.

AMHERST MONTREAL OTTAWA TORONTO
WINNIPEG REGINA CALGARY EDMONTON VANCOUVER

You can always rely on
CRAVEN "A"
quality!
CRAVEN "A"

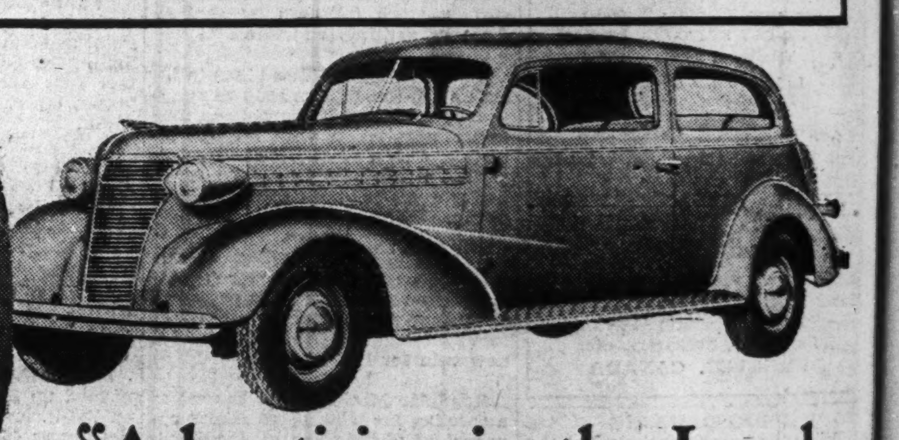
Craven "A" cork-tipped cigarettes are consistently fresh, consistently cool and kind to your throat. In the 'easy-access' inner foil pack and sealed fresh in moisture-proof 'cellophane'.

**20 for 25c.**
ALSO IN TINS 50 for 60c.
*Same Price as in England.*

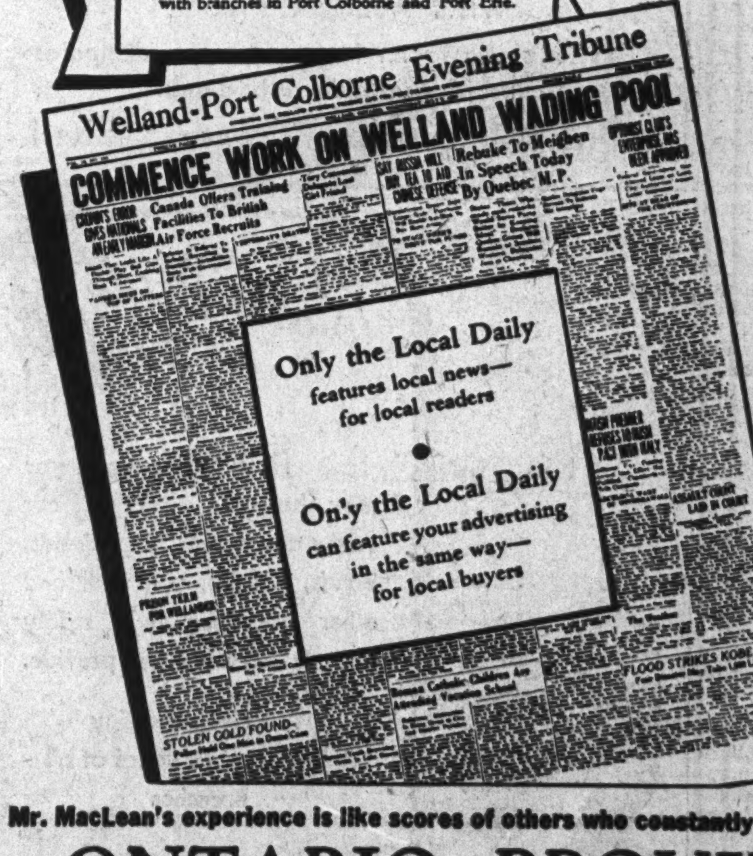
MADE SPECIALLY TO PREVENT SORE THROATS

**CRAVEN PLAIN** (*WITHOUT CORK-TIP*) **SAME FINE QUALITY AS CRAVEN "A"**
*In Green Packets 20 for 25c.*
*Carreras Ltd., London, Eng.—150 years' reputation for quality* C.A.C.

The purchase of your product starts when the prospect reads your message in the Local Daily



**Alex MacLean**
President of MacLean Motors Limited, General Motors Sales and Service, Welland, Ontario, with branches in Port Colborne and Fort Erie.


Welland-Port Colborne Evening Tribune
COMMENCE WORK ON WELLAND WADING POOL
Canada Offers Training Facilities To British Air Force Recruits
Rebuke To Meighen In Speech Today By Quebec M.P.
FLOOD STRIKES KOBE
STOLEN GOLD FOUND

Only the Local Daily
features local news—
for local readers

Only the Local Daily
can feature your advertising
in the same way—
for local buyers

"Advertising in the Local Daily has played a Major Part in our Rapid Growth"

*says* Mr. Alex MacLean
*President, MacLean Motors Ltd., Welland*

● "The use of regular space in the Local Daily has been one of the most important factors in steadily building up the volume of our business.

Ninety per cent of our advertising appropriation is spent on local newspaper advertising. We are convinced of the results which can be obtained through advertising in the local daily by the rapid and successful growth of our firm from two to 42 employees in the past ten years.

During 1937 we used 38,976 lines of space in our local daily and this was augmented by 95,048 lines of national copy placed by General Motors Limited over our firm name. For 1937 our turnover was $535,000.00 selling 276 General Motors cars and trucks and 641 used cars.

As our business continues to grow and expand, we will continue to increase our local daily advertising appropriation."

Alex L. MacLean

Mr. MacLean's experience is like scores of others who constantly advertise in the

ONTARIO PROVINCIAL DAILIES

*Belleville Ontario Intelligencer*
*Brantford Expositor*
*Brockville Recorder and Times*
*Galt Reporter*
*Kingston Whig-Standard*
*Kitchener Record*
*Niagara Falls Review*
*Oshawa Times*
*Owen Sound Sun Times*
*Peterborough Examiner*
*St. Catharines Standard*
*St. Thomas Times-Journal*
*Sarnia Canadian Observer*
*Stratford Beacon-Herald*
*Timmins Press*
*Welland-Port Colborne Tribune*
*Woodstock Sentinel-Review*